

**As Reported by the House Banking, Pensions, and Securities
Committee**

**125th General Assembly
Regular Session
2003-2004**

Sub. H. B. No. 227

**Representatives Schneider, Blasdel, Schmidt, Raussen, Hollister, Clancy,
Trakas, Carmichael, Aslanides, Brinkman, Fessler, Otterman, Cirelli, Seaver,
Carano, Harwood, Key, Martin, Koziura, Reidelbach, T. Patton, J. Stewart,
Allen**

A B I L L

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| To amend sections 102.02, 113.051, 145.04, 145.05, | 1 |
| 145.06, 145.08, 145.09, 145.11, 145.193, 145.40, | 2 |
| 171.04, 742.03, 742.08, 742.10, 742.11, 3105.80, | 3 |
| 3305.01, 3305.02, 3305.03, 3305.05, 3305.051, | 4 |
| 3305.06, 3305.07, 3307.01, 3307.05, 3307.06, | 5 |
| 3307.07, 3307.071, 3307.10, 3307.11, 3307.15, | 6 |
| 3307.56, 3309.05, 3309.06, 3309.07, 3309.10, | 7 |
| 3309.11, 3309.15, 3309.42, 3334.11, 4123.44, | 8 |
| 5505.04, 5505.05, 5505.06, and 5505.07; to amend, | 9 |
| for the purpose of adopting a new section number | 10 |
| as indicated in parentheses, section 3305.051 | 11 |
| (3305.052); and to enact new section 3305.051 and | 12 |
| sections 111.30, 113.052, 145.052, 145.053, | 13 |
| 145.054, 145.055, 145.056, 145.092, 145.093, | 14 |
| 145.094, 145.114, 145.115, 145.116, 145.117, | 15 |
| 145.118, 145.119, 145.99, 742.042, 742.043, | 16 |
| 742.044, 742.045, 742.046, 742.102, 742.103, | 17 |
| 742.104, 742.114, 742.115, 742.116, 742.117, | 18 |
| 742.118, 742.119, 742.99, 1707.49, 3305.053, | 19 |
| 3307.032, 3307.041, 3307.042, 3307.061, 3307.072, | 20 |

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|---|----|
| 3307.073, 3307.074, 3307.075, 3307.152, 3307.153, | 21 |
| 3307.154, 3307.155, 3307.156, 3307.157, 3307.99, | 22 |
| 3309.032, 3309.041, 3309.042, 3309.062, 3309.063, | 23 |
| 3309.071, 3309.072, 3309.073, 3309.157, 3309.158, | 24 |
| 3309.159, 3309.1510, 3309.1511, 3309.1512, | 25 |
| 3309.99, 5505.041, 5505.042, 5505.043, 5505.044, | 26 |
| 5505.045, 5505.051, 5505.052, 5505.062, 5505.063, | 27 |
| 5505.064, 5505.065, 5505.066, 5505.067, 5505.111, | 28 |
| and 5505.99 of the Revised Code to revise the law | 29 |
| governing Ohio's five public retirement systems | 30 |
| and the Treasurer of State's custodial duties. | 31 |

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

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| Section 1. That sections 102.02, 113.051, 145.04, 145.05, | 32 |
| 145.06, 145.08, 145.09, 145.11, 145.193, 145.40, 171.04, 742.03, | 33 |
| 742.08, 742.10, 742.11, 3105.80, 3305.01, 3305.02, 3305.03, | 34 |
| 3305.05, 3305.051, 3305.06, 3305.07, 3307.01, 3307.05, 3307.06, | 35 |
| 3307.07, 3307.071, 3307.10, 3307.11, 3307.15, 3307.56, 3309.05, | 36 |
| 3309.06, 3309.07, 3309.10, 3309.11, 3309.15, 3309.42, 3334.11, | 37 |
| 4123.44, 5505.04, 5505.05, 5505.06, and 5505.07 be amended; | 38 |
| section 3305.051 (3305.052) be amended for the purpose of adopting | 39 |
| a new section number as indicated in parentheses; and new section | 40 |
| 3305.051 and sections 111.30, 113.052, 145.052, 145.053, 145.054, | 41 |
| 145.055, 145.056, 145.092, 145.093, 145.094, 145.114, 145.115, | 42 |
| 145.116, 145.117, 145.118, 145.119, 145.99, 742.042, 742.043, | 43 |
| 742.044, 742.045, 742.046, 742.102, 742.103, 742.104, 742.114, | 44 |
| 742.115, 742.116, 742.117, 742.118, 742.119, 742.99, 1707.49, | 45 |
| 3305.053, 3307.032, 3307.041, 3307.042, 3307.061, 3307.072, | 46 |
| 3307.073, 3307.074, 3307.075, 3307.152, 3307.153, 3307.154, | 47 |
| 3307.155, 3307.156, 3307.157, 3307.99, 3309.032, 3309.041, | 48 |
| 3309.042, 3309.062, 3309.063, 3309.071, 3309.072, 3309.073, | 49 |

3309.157, 3309.158, 3309.159, 3309.1510, 3309.1511, 3309.1512, 50
3309.99, 5505.041, 5505.042, 5505.043, 5505.044, 5505.045, 51
5505.051, 5505.052, 5505.062, 5505.063, 5505.064, 5505.065, 52
5505.066, 5505.067, 5505.111, and 5505.99 of the Revised Code be 53
enacted to read as follows: 54

Sec. 102.02. (A) Except as otherwise provided in division (H) 55
of this section, all of the following shall file with the 56
appropriate ethics commission the disclosure statement described 57
in this division on a form prescribed by the appropriate 58
commission: every person who is elected to or is a candidate for a 59
state, county, or city office, or the office of member of the 60
United States congress, and every person who is appointed to fill 61
a vacancy for an unexpired term in such an elective office; all 62
members of the state board of education; the director, assistant 63
directors, deputy directors, division chiefs, or persons of 64
equivalent rank of any administrative department of the state; the 65
president or other chief administrative officer of every state 66
institution of higher education as defined in section 3345.011 of 67
the Revised Code; the chief executive officer and the members of 68
the board of each state retirement system; each employee of a 69
state retirement board whose position involves substantial and 70
material exercise of discretion in the investment of retirement 71
system funds; all members of the board of commissioners on 72
grievances and discipline of the supreme court and the ethics 73
commission created under section 102.05 of the Revised Code; every 74
business manager, treasurer, or superintendent of a city, local, 75
exempted village, joint vocational, or cooperative education 76
school district or an educational service center; every person who 77
is elected to or is a candidate for the office of member of a 78
board of education of a city, local, exempted village, joint 79
vocational, or cooperative education school district or of a 80

governing board of an educational service center that has a total 81
student count of twelve thousand or more as most recently 82
determined by the department of education pursuant to section 83
3317.03 of the Revised Code; every person who is appointed to the 84
board of education of a municipal school district pursuant to 85
division (B) or (F) of section 3311.71 of the Revised Code; all 86
members of the board of directors of a sanitary district 87
established under Chapter 6115. of the Revised Code and organized 88
wholly for the purpose of providing a water supply for domestic, 89
municipal, and public use that includes two municipal corporations 90
in two counties; every public official or employee who is paid a 91
salary or wage in accordance with schedule C of section 124.15 or 92
schedule E-2 of section 124.152 of the Revised Code; members of 93
the board of trustees and the executive director of the tobacco 94
use prevention and control foundation; members of the board of 95
trustees and the executive director of the southern Ohio 96
agricultural and community development foundation; and every other 97
public official or employee who is designated by the appropriate 98
ethics commission pursuant to division (B) of this section ~~shall~~ 99
~~file with the appropriate ethics commission on a form prescribed~~ 100
~~by the commission, a statement disclosing all of the following:.~~ 101

The disclosure statement shall include all of the following: 102

(1) The name of the person filing the statement and each 103
member of the person's immediate family and all names under which 104
the person or members of the person's immediate family do 105
business; 106

(2)(a) Subject to divisions (A)(2)(b) and (c) of this section 107
and except as otherwise provided in section 102.022 of the Revised 108
Code, identification of every source of income, other than income 109
from a legislative agent identified in division (A)(2)(b) of this 110
section, received during the preceding calendar year, in the 111

person's own name or by any other person for the person's use or 112
benefit, by the person filing the statement, and a brief 113
description of the nature of the services for which the income was 114
received. If the person filing the statement is a member of the 115
general assembly, the statement shall identify the amount of every 116
source of income received in accordance with the following ranges 117
of amounts: zero or more, but less than one thousand dollars; one 118
thousand dollars or more, but less than ten thousand dollars; ten 119
thousand dollars or more, but less than twenty-five thousand 120
dollars; twenty-five thousand dollars or more, but less than fifty 121
thousand dollars; fifty thousand dollars or more, but less than 122
one hundred thousand dollars; and one hundred thousand dollars or 123
more. Division (A)(2)(a) of this section shall not be construed to 124
require a person filing the statement who derives income from a 125
business or profession to disclose the individual items of income 126
that constitute the gross income of that business or profession, 127
except for those individual items of income that are attributable 128
to the person's or, if the income is shared with the person, the 129
partner's, solicitation of services or goods or performance, 130
arrangement, or facilitation of services or provision of goods on 131
behalf of the business or profession of clients, including 132
corporate clients, who are legislative agents as defined in 133
section 101.70 of the Revised Code. A person who files the 134
statement under this section shall disclose the identity of and 135
the amount of income received from a person who the public 136
official or employee knows or has reason to know is doing or 137
seeking to do business of any kind with the public official's or 138
employee's agency. 139

(b) If the person filing the statement is a member of the 140
general assembly, the statement shall identify every source of 141
income and the amount of that income that was received from a 142
legislative agent, as defined in section 101.70 of the Revised 143
Code, during the preceding calendar year, in the person's own name 144

or by any other person for the person's use or benefit, by the 145
person filing the statement, and a brief description of the nature 146
of the services for which the income was received. Division 147
(A)(2)(b) of this section requires the disclosure of clients of 148
attorneys or persons licensed under section 4732.12 of the Revised 149
Code, or patients of persons certified under section 4731.14 of 150
the Revised Code, if those clients or patients are legislative 151
agents. Division (A)(2)(b) of this section requires a person 152
filing the statement who derives income from a business or 153
profession to disclose those individual items of income that 154
constitute the gross income of that business or profession that 155
are received from legislative agents. 156

(c) Except as otherwise provided in division (A)(2)(c) of 157
this section, division (A)(2)(a) of this section applies to 158
attorneys, physicians, and other persons who engage in the 159
practice of a profession and who, pursuant to a section of the 160
Revised Code, the common law of this state, a code of ethics 161
applicable to the profession, or otherwise, generally are required 162
not to reveal, disclose, or use confidences of clients, patients, 163
or other recipients of professional services except under 164
specified circumstances or generally are required to maintain 165
those types of confidences as privileged communications except 166
under specified circumstances. Division (A)(2)(a) of this section 167
does not require an attorney, physician, or other professional 168
subject to a confidentiality requirement as described in division 169
(A)(2)(c) of this section to disclose the name, other identity, or 170
address of a client, patient, or other recipient of professional 171
services if the disclosure would threaten the client, patient, or 172
other recipient of professional services, would reveal details of 173
the subject matter for which legal, medical, or professional 174
advice or other services were sought, or would reveal an otherwise 175
privileged communication involving the client, patient, or other 176
recipient of professional services. Division (A)(2)(a) of this 177

section does not require an attorney, physician, or other 178
professional subject to a confidentiality requirement as described 179
in division (A)(2)(c) of this section to disclose in the brief 180
description of the nature of services required by division 181
(A)(2)(a) of this section any information pertaining to specific 182
professional services rendered for a client, patient, or other 183
recipient of professional services that would reveal details of 184
the subject matter for which legal, medical, or professional 185
advice was sought or would reveal an otherwise privileged 186
communication involving the client, patient, or other recipient of 187
professional services. 188

(3) The name of every corporation on file with the secretary 189
of state that is incorporated in this state or holds a certificate 190
of compliance authorizing it to do business in this state, trust, 191
business trust, partnership, or association that transacts 192
business in this state in which the person filing the statement or 193
any other person for the person's use and benefit had during the 194
preceding calendar year an investment of over one thousand dollars 195
at fair market value as of the thirty-first day of December of the 196
preceding calendar year, or the date of disposition, whichever is 197
earlier, or in which the person holds any office or has a 198
fiduciary relationship, and a description of the nature of the 199
investment, office, or relationship. Division (A)(3) of this 200
section does not require disclosure of the name of any bank, 201
savings and loan association, credit union, or building and loan 202
association with which the person filing the statement has a 203
deposit or a withdrawable share account. 204

(4) All fee simple and leasehold interests to which the 205
person filing the statement holds legal title to or a beneficial 206
interest in real property located within the state, excluding the 207
person's residence and property used primarily for personal 208
recreation; 209

(5) The names of all persons residing or transacting business 210
in the state to whom the person filing the statement owes, in the 211
person's own name or in the name of any other person, more than 212
one thousand dollars. Division (A)(5) of this section shall not be 213
construed to require the disclosure of debts owed by the person 214
resulting from the ordinary conduct of a business or profession or 215
debts on the person's residence or real property used primarily 216
for personal recreation, except that the superintendent of 217
financial institutions shall disclose the names of all 218
state-chartered savings and loan associations and of all service 219
corporations subject to regulation under division (E)(2) of 220
section 1151.34 of the Revised Code to whom the superintendent in 221
the superintendent's own name or in the name of any other person 222
owes any money, and that the superintendent and any deputy 223
superintendent of banks shall disclose the names of all 224
state-chartered banks and all bank subsidiary corporations subject 225
to regulation under section 1109.44 of the Revised Code to whom 226
the superintendent or deputy superintendent owes any money. 227

(6) The names of all persons residing or transacting business 228
in the state, other than a depository excluded under division 229
(A)(3) of this section, who owe more than one thousand dollars to 230
the person filing the statement, either in the person's own name 231
or to any person for the person's use or benefit. Division (A)(6) 232
of this section shall not be construed to require the disclosure 233
of clients of attorneys or persons licensed under section 4732.12 234
or 4732.15 of the Revised Code, or patients of persons certified 235
under section 4731.14 of the Revised Code, nor the disclosure of 236
debts owed to the person resulting from the ordinary conduct of a 237
business or profession. 238

(7) Except as otherwise provided in section 102.022 of the 239
Revised Code, the source of each gift of over seventy-five 240
dollars, or of each gift of over twenty-five dollars received by a 241

member of the general assembly from a legislative agent, received 242
by the person in the person's own name or by any other person for 243
the person's use or benefit during the preceding calendar year, 244
except gifts received by will or by virtue of section 2105.06 of 245
the Revised Code, or received from spouses, parents, grandparents, 246
children, grandchildren, siblings, nephews, nieces, uncles, aunts, 247
brothers-in-law, sisters-in-law, sons-in-law, daughters-in-law, 248
fathers-in-law, mothers-in-law, or any person to whom the person 249
filing the statement stands in loco parentis, or received by way 250
of distribution from any inter vivos or testamentary trust 251
established by a spouse or by an ancestor; 252

(8) Except as otherwise provided in section 102.022 of the 253
Revised Code, identification of the source and amount of every 254
payment of expenses incurred for travel to destinations inside or 255
outside this state that is received by the person in the person's 256
own name or by any other person for the person's use or benefit 257
and that is incurred in connection with the person's official 258
duties, except for expenses for travel to meetings or conventions 259
of a national or state organization to which any state agency, 260
including, but not limited to, any legislative agency or state 261
institution of higher education as defined in section 3345.011 of 262
the Revised Code, pays membership dues, or any political 263
subdivision or any office or agency of a political subdivision 264
pays membership dues; 265

(9) Except as otherwise provided in section 102.022 of the 266
Revised Code, identification of the source of payment of expenses 267
for meals and other food and beverages, other than for meals and 268
other food and beverages provided at a meeting at which the person 269
participated in a panel, seminar, or speaking engagement or at a 270
meeting or convention of a national or state organization to which 271
any state agency, including, but not limited to, any legislative 272
agency or state institution of higher education as defined in 273

section 3345.011 of the Revised Code, pays membership dues, or any 274
political subdivision or any office or agency of a political 275
subdivision pays membership dues, that are incurred in connection 276
with the person's official duties and that exceed one hundred 277
dollars aggregated per calendar year; 278

(10) If the financial disclosure statement is filed by a 279
public official or employee described in division (B)(2) of 280
section 101.73 of the Revised Code or division (B)(2) of section 281
121.63 of the Revised Code who receives a statement from a 282
legislative agent, executive agency lobbyist, or employer that 283
contains the information described in division (F)(2) of section 284
101.73 of the Revised Code or division (G)(2) of section 121.63 of 285
the Revised Code, all of the nondisputed information contained in 286
the statement delivered to that public official or employee by the 287
legislative agent, executive agency lobbyist, or employer under 288
division (F)(2) of section 101.73 or (G)(2) of section 121.63 of 289
the Revised Code. As used in division (A)(10) of this section, 290
"legislative agent," "executive agency lobbyist," and "employer" 291
have the same meanings as in sections 101.70 and 121.60 of the 292
Revised Code. 293

A person may file a statement required by this section in 294
person or by mail. A person who is a candidate for elective office 295
shall file the statement no later than the thirtieth day before 296
the primary, special, or general election at which the candidacy 297
is to be voted on, whichever election occurs soonest, except that 298
a person who is a write-in candidate shall file the statement no 299
later than the twentieth day before the earliest election at which 300
the person's candidacy is to be voted on. A person who holds 301
elective office shall file the statement on or before the 302
fifteenth day of April of each year unless the person is a 303
candidate for office. A person who is appointed to fill a vacancy 304
for an unexpired term in an elective office shall file the 305

statement within fifteen days after the person qualifies for 306
office. Other persons shall file an annual statement on or before 307
the fifteenth day of April or, if appointed or employed after that 308
date, within ninety days after appointment or employment. No 309
person shall be required to file with the appropriate ethics 310
commission more than one statement or pay more than one filing fee 311
for any one calendar year. 312

The appropriate ethics commission, for good cause, may extend 313
for a reasonable time the deadline for filing a statement under 314
this section. 315

A statement filed under this section is subject to public 316
inspection at locations designated by the appropriate ethics 317
commission except as otherwise provided in this section. 318

(B) The Ohio ethics commission, the joint legislative ethics 319
committee, and the board of commissioners on grievances and 320
discipline of the supreme court, using the rule-making procedures 321
of Chapter 119. of the Revised Code, may require any class of 322
public officials or employees under its jurisdiction and not 323
specifically excluded by this section whose positions involve a 324
substantial and material exercise of administrative discretion in 325
the formulation of public policy, expenditure of public funds, 326
enforcement of laws and rules of the state or a county or city, or 327
the execution of other public trusts, to file an annual statement 328
on or before the fifteenth day of April under division (A) of this 329
section. The appropriate ethics commission shall send the public 330
officials or employees written notice of the requirement by the 331
fifteenth day of February of each year the filing is required 332
unless the public official or employee is appointed after that 333
date, in which case the notice shall be sent within thirty days 334
after appointment, and the filing shall be made not later than 335
ninety days after appointment. 336

Except for disclosure statements filed by members of the 337

board of trustees and the executive director of the tobacco use 338
prevention and control foundation and members of the board of 339
trustees and the executive director of the southern Ohio 340
agricultural and community development foundation, disclosure 341
statements filed under this division with the Ohio ethics 342
commission by members of boards, commissions, or bureaus of the 343
state for which no compensation is received other than reasonable 344
and necessary expenses shall be kept confidential. Disclosure 345
statements filed with the Ohio ethics commission under division 346
(A) of this section by business managers, treasurers, and 347
superintendents of city, local, exempted village, joint 348
vocational, or cooperative education school districts or 349
educational service centers shall be kept confidential, except 350
that any person conducting an audit of any such school district or 351
educational service center pursuant to section 115.56 or Chapter 352
117. of the Revised Code may examine the disclosure statement of 353
any business manager, treasurer, or superintendent of that school 354
district or educational service center. The Ohio ethics commission 355
shall examine each disclosure statement required to be kept 356
confidential to determine whether a potential conflict of interest 357
exists for the person who filed the disclosure statement. A 358
potential conflict of interest exists if the private interests of 359
the person, as indicated by the person's disclosure statement, 360
might interfere with the public interests the person is required 361
to serve in the exercise of the person's authority and duties in 362
the person's office or position of employment. If the commission 363
determines that a potential conflict of interest exists, it shall 364
notify the person who filed the disclosure statement and shall 365
make the portions of the disclosure statement that indicate a 366
potential conflict of interest subject to public inspection in the 367
same manner as is provided for other disclosure statements. Any 368
portion of the disclosure statement that the commission determines 369
does not indicate a potential conflict of interest shall be kept 370

confidential by the commission and shall not be made subject to 371
public inspection, except as is necessary for the enforcement of 372
Chapters 102. and 2921. of the Revised Code and except as 373
otherwise provided in this division. 374

(C) No person shall knowingly fail to file, on or before the 375
applicable filing deadline established under this section, a 376
statement that is required by this section. 377

(D) No person shall knowingly file a false statement that is 378
required to be filed under this section. 379

(E)(1) Except as provided in divisions (E)(2) and (3) of this 380
section, the statement required by division (A) or (B) of this 381
section shall be accompanied by a filing fee of forty dollars. 382

(2) The statement required by division (A) of this section 383
shall be accompanied by the following filing fee to be paid by the 384
person who is elected or appointed to, or is a candidate for, any 385
of the following offices: 386

| | | |
|----------------------------------|------|-----|
| For state office, except member | | 387 |
| of the | | |
| state board of education | \$65 | 388 |
| For office of member of United | | 389 |
| States | | |
| congress or member of general | \$40 | 390 |
| assembly | | |
| For county office | \$40 | 391 |
| For city office | \$25 | 392 |
| For office of member of the | | 393 |
| state board | | |
| of education | \$25 | 394 |
| For office of member of a city, | | 395 |
| local, | | |
| exempted village, or cooperative | | 396 |
| education board of | | 397 |

| | |
|-----------------------------------|----------|
| education or educational service | 398 |
| center governing board | \$20 399 |
| For position of business manager, | 400 |
| treasurer, or superintendent of | 401 |
| a | |
| city, local, exempted village, | 402 |
| joint | |
| vocational, or cooperative | 403 |
| education | |
| school district or | 404 |
| educational service center | \$20 405 |

(3) No judge of a court of record or candidate for judge of a court of record, and no referee or magistrate serving a court of record, shall be required to pay the fee required under division (E)(1) or (2) or (F) of this section.

(4) For any public official who is appointed to a nonelective office of the state and for any employee who holds a nonelective position in a public agency of the state, the state agency that is the primary employer of the state official or employee shall pay the fee required under division (E)(1) or (F) of this section.

(F) If a statement required to be filed under this section is not filed by the date on which it is required to be filed, the appropriate ethics commission shall assess the person required to file the statement a late filing fee of ten dollars for each day the statement is not filed, except that the total amount of the late filing fee shall not exceed two hundred fifty dollars.

(G)(1) The appropriate ethics commission other than the Ohio ethics commission shall deposit all fees it receives under divisions (E) and (F) of this section into the general revenue fund of the state.

(2) The Ohio ethics commission shall deposit all receipts, 425
including, but not limited to, fees it receives under divisions 426
(E) and (F) of this section and all moneys it receives from 427
settlements under division (G) of section 102.06 of the Revised 428
Code, into the Ohio ethics commission fund, which is hereby 429
created in the state treasury. All moneys credited to the fund 430
shall be used solely for expenses related to the operation and 431
statutory functions of the commission. 432

(H) Division (A) of this section does not apply to a person 433
elected or appointed to the office of precinct, ward, or district 434
committee member under Chapter 3517. of the Revised Code; a 435
presidential elector; a delegate to a national convention; village 436
or township officials and employees; any physician or psychiatrist 437
who is paid a salary or wage in accordance with schedule C of 438
section 124.15 or schedule E-2 of section 124.152 of the Revised 439
Code and whose primary duties do not require the exercise of 440
administrative discretion; or any member of a board, commission, 441
or bureau of any county or city who receives less than one 442
thousand dollars per year for serving in that position. 443

Sec. 111.30. The secretary of state shall prescribe forms for 444
campaign finance disclosure statements for the purpose of sections 445
145.052, 742.042, 3307.072, 3309.071, and 5505.041 of the Revised 446
Code and accept the forms from candidates filing them with the 447
secretary pursuant to those sections. 448

Sec. 113.051. (A) The treasurer of state or the officer who 449
performs the duties of the office of treasurer of state is the 450
custodian of the funds required by law to be kept in the custody 451
of the treasurer of state. The custodial duties of the treasurer 452
of state include safekeeping the custodial funds and investment 453
assets of an owner; collecting principal, dividends, 454

distributions, and interest on custodial funds and investments of 455
an owner; and paying for, transferring, and collecting the 456
purchase or sale price of investments. The duties of the treasurer 457
of state do not include making investment decisions of an owner or 458
its authorized agents or monitoring compliance with an owner's 459
internal investment policies. The treasurer of state is not 460
responsible for the investment decisions of an owner or agent, 461
compliance with the owner's internal investment policies, or any 462
unlawful activities of an owner or its authorized agents. 463

(B) The treasurer of state may enter into a sub-custody or 464
other agency agreement with a ~~trustee who~~ trust company that meets 465
the requirements of ~~section 135.18~~ Chapter 1111. of the Revised 466
Code to execute the custodial duties required by law. The 467
agreement shall apply to the custodial funds and investment assets 468
of an owner. The agreement may provide that the ~~trustee trust~~ 469
company has primary responsibility for custody of the funds and 470
investments in order to execute an owner's instructions. The 471
treasurer of state or the treasurer's authorized agent may enter 472
into additional agreements as necessary to facilitate an owner's 473
transactions. 474

Sec. 113.052. As used in this section, "domestic asset" means 475
United States government securities, securities issued by a 476
federal agency, corporate bonds and notes of companies 477
incorporated in the United States, domestic equities, and any 478
other asset considered a domestic asset by the treasurer of state. 479

The treasurer of state or an authorized agent of the 480
treasurer of state shall deposit all domestic assets held pursuant 481
to division (C) of sections 145.11, 742.11, 3307.15, 3309.15, or 482
5505.16 of the Revised Code in a bank that is eligible under 483
section 135.03 of the Revised Code to become a public depository 484
and is subject to taxation under section 5733.06 of the Revised 485

Code.

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Sec. 145.04. The general administration and management of the public employees retirement system and the making effective of Chapter 145. of the Revised Code, are hereby vested in a board to be known as the "public employees retirement board," which shall consist of nine members as follows:

(A) ~~The attorney general~~ treasurer of state;

(B) ~~The auditor of state;~~ An individual, appointed by the governor, who has not less than five years of direct experience in the management, analysis, supervision, or investment of assets. The governor shall request that the director of administrative services, with the organizations representing county commissioners, municipal corporations, and townships in this state submit to the governor the names and qualifications of three nominees. The governor shall appoint to the board one of the persons nominated by the director and organizations.

(C) ~~The director of administrative services;~~

~~(D)~~ Five members, known as employee members, one of whom shall be a state employee member of the system, who shall be elected by ballot by the state employee members of the system from among their number; another of whom shall be a county employee member of the system, who shall be elected by ballot by the county employee members of the system from among their number; another of whom shall be a municipal employee member of the system, who shall be elected by ballot by the municipal employee members of the system from among their number; another of whom shall be a university or college employee member of the system, who shall be elected by ballot by the university and college employee members of the system from among their number; and another of whom shall be a park district, conservancy district, sanitary district,

health district, public library, township, metropolitan housing 516
authority, union cemetery, joint hospital, or institutional 517
commissary employee member of the system, who shall be elected by 518
ballot by the park district, conservancy district, sanitary 519
district, health district, metropolitan housing authority, 520
township, public library, union cemetery, joint hospital, and 521
institutional commissary employee members of the system from among 522
their number, in a manner to be approved by the board. Members of 523
the system who are receiving a disability benefit under this 524
chapter are ineligible for membership on the board as employee 525
members. 526

~~(E) One member~~ (D) Two members, known as the retirant ~~member~~ 527
~~members~~, who shall be a former ~~member~~ members of the public 528
employees retirement system who ~~is a resident of~~ reside in this 529
state and ~~a recipient of~~ receive age and service retirement, a 530
disability benefit, or benefits paid under a PERS defined 531
contribution plan. The retirant ~~member~~ members shall be elected by 532
ballot by former members of the system who are receiving age and 533
service retirement, a disability benefit, or benefits paid under a 534
PERS defined contribution plan. 535

Sec. 145.05. (A) The terms of office of employee members of 536
the public employees retirement board shall be for four years each 537
beginning on the first day of January following election. The 538
election of the county employee member of the board and the 539
employee member of the board representing public library, health 540
district, park district, conservancy district, sanitary district, 541
township, metropolitan housing authority, union cemetery, joint 542
hospital, and institutional commissary employees shall be held on 543
the first Monday in October, 1945, and on the first Monday in 544
October in each fourth year thereafter. The election of the state 545
employee member of the board and the municipal employee member of 546
the board shall be held on the first Monday in October, 1946, and 547

on the first Monday in October in each fourth year thereafter. The 548
election of the initial university-college employee member of the 549
board shall be held on the first Monday in October, 1978, and 550
elections for subsequent university-college employee members of 551
the board shall be held on the first Monday in October in each 552
fourth year thereafter. 553

(B) The term of office of the retirant ~~member~~ members of the 554
public employees retirement board shall be for four years 555
beginning on the first day of January following the election. The 556
election of the initial retirant member ~~of~~ for that position on 557
the board shall be held on the first Monday in October, 1978, and 558
elections for subsequent retirant members of the board shall be 559
held on the first Monday in October in each fourth year 560
thereafter. The initial election for the second retirant member 561
position shall be held at the first election that occurs later 562
than ninety days after the effective date of this amendment. 563
Subsequent elections shall be held each fourth year thereafter. 564

(C) ~~All~~ The term of office of a member appointed under 565
division (B) of section 145.04 of the Revised Code shall be four 566
years. The term shall commence on the first day of January 567
following appointment, except that if the governor makes the 568
appointment after the first day of January, the term shall 569
commence on the day of appointment. The member shall continue in 570
office subsequent to the expiration date of the member's term 571
until the member's successor takes office or until a period of 572
sixty days has elapsed, whichever comes first. 573

A member appointed by the governor to fill a vacancy 574
occurring prior to the expiration of the term for which the 575
member's predecessor was appointed shall hold office for the 576
remainder of that term. 577

(D) The board shall administer all elections for employee 578

members of the public employees retirement board ~~shall be held~~ 579
~~under the direction of the board.~~ Any member of the public 580
employees retirement system, except a member who is receiving a 581
disability benefit under this chapter or has been convicted of or 582
pleaded guilty to a felony, is eligible for election as an 583
employee member of the board to represent the employee group that 584
includes the member, provided that the member has been nominated 585
by a petition that is signed by at least five hundred members of 586
the employee group to be represented ~~and further provided that~~ 587
~~there shall be, including~~ not less than twenty such signers from 588
each of at least ten counties of the state. The name of any member 589
so nominated shall be placed upon the ballot by the board as a 590
regular candidate. Names of other eligible candidates may, at any 591
election, be substituted for the regular candidates by writing 592
such names upon the ballots. The candidate who receives the 593
highest number of votes for a particular employee member position 594
on the board shall be elected to that office. 595

~~(D) All~~ (E) The board shall administer all elections for the 596
retirant ~~member~~ members of the public employees retirement board 597
~~shall be held under the direction of the board.~~ Any former member 598
of the public employees retirement system who is described in 599
division ~~(E)(D)~~ of section 145.04 of the Revised Code and has not 600
been convicted of or pleaded guilty to a felony in this state or 601
any other jurisdiction is eligible for election as ~~the~~ a retirant 602
member of the board to represent recipients of age and service 603
retirement, a disability benefit, or benefits paid under a PERS 604
defined contribution plan, provided that such person has been 605
nominated by a petition that is signed by any combination of at 606
least two hundred fifty former members of the system who are 607
recipients of age and service retirement, a disability benefit, or 608
benefits paid under a PERS defined contribution plan, ~~or any~~ 609
~~combination of such recipients that totals two hundred fifty.~~ The 610
petition shall contain the signatures of at least ten such 611

recipients from each of at least five counties wherein recipients 612
of benefits from the system reside. 613

The name of any person nominated in this manner shall be 614
placed upon the ballot by the board as a regular candidate. Names 615
of other eligible candidates may, at any election for ~~the~~ a 616
retirant member of the board, be substituted for the regular 617
candidates by writing the names of such persons upon the ballot. 618
The candidate who receives the highest number of votes for any 619
term as ~~the~~ a retirant member of the board shall be elected to 620
office. 621

Sec. 145.052. (A) As used in this section: 622

(1) "Campaign committee" means a candidate or a combination 623
of two or more persons authorized by a candidate to receive 624
contributions and in-kind contributions and make expenditures on 625
behalf of the candidate. 626

(2) "Candidate" means an individual who has been nominated 627
pursuant to section 145.05 of the Revised Code for election to the 628
public employees retirement board. 629

(3) "Contribution" means a loan, gift, deposit, forgiveness 630
of indebtedness, donation, advance, payment, transfer of funds or 631
transfer of anything of value including a transfer of funds from 632
an inter vivos or testamentary trust or decedent's estate, and the 633
payment by any person other than the person to whom the services 634
are rendered for the personal services of another person, which 635
contribution is made, received, or used for the purpose of getting 636
an individual nominated pursuant to section 145.05 of the Revised 637
Code for election to the public employees retirement board or 638
influencing the results of an election to the board under that 639
section, including a special election provided for by section 640
145.06 of the Revised Code. "Contribution" does not include: 641

(a) Services provided without compensation by individuals 642
volunteering a portion or all of their time on behalf of a person; 643

(b) Ordinary home hospitality; 644

(c) The personal expenses of a volunteer paid for by that 645
volunteer campaign worker. 646

(4) "Election day" means the following, as appropriate to the 647
situation: 648

(a) The first Monday in October of a year for which section 649
145.05 of the Revised Code specifies that an election for a member 650
of the public employees retirement board be held; 651

(b) If, pursuant to section 145.051 of the Revised Code, no 652
election is held, the first Monday in October of a year that the 653
election would have been held if not for section 145.051 of the 654
Revised Code; 655

(c) If the election is a special election provided for by 656
section 145.06 of the Revised Code, a day that the board shall 657
specify that is consistent with requirements for a special 658
election established by section 145.06 of the Revised Code. 659

(5) "Expenditure" means the disbursement or use of a 660
contribution for the purpose of getting an individual nominated 661
pursuant to section 145.05 of the Revised Code for election to the 662
public employees retirement board or influencing the results of an 663
election to the board under that section, including a special 664
election provided for by section 145.06 of the Revised Code. 665

(6) "In-kind contribution" means anything of value other than 666
money that is used to get an individual nominated pursuant to 667
section 145.05 of the Revised Code for election to the public 668
employees retirement board or influence the results of an election 669
to the board under that section, including a special election 670
provided for by section 145.06 of the Revised Code, or is 671

transferred to or used in support of or in opposition to a 672
candidate and that is made with the consent of, in coordination, 673
cooperation, or consultation with, or at the request or suggestion 674
of the benefited candidate. The financing of the dissemination, 675
distribution, or republication, in whole or part, of any broadcast 676
or of any written, graphic, or other form of campaign materials 677
prepared by the candidate, the candidate's campaign committee, or 678
their authorized agents is an in-kind contribution to the 679
candidate and an expenditure by the candidate. 680

(7) "Personal expenses" includes ordinary expenses for 681
accommodations, clothing, food, personal motor vehicle or 682
airplane, and home telephone. 683

(B) Each candidate who, or whose campaign committee, receives 684
contributions or in-kind contributions totaling one thousand 685
dollars or more or has expenditures totaling one thousand dollars 686
or more in connection with the candidate's efforts to be nominated 687
for election to the public employees retirement board or to be 688
elected to the board shall file with the secretary of state two 689
complete, accurate, and itemized statements setting forth in 690
detail the contributions, in-kind contributions, and expenditures. 691
The statements shall be filed regardless of whether the election 692
is a regular election or, pursuant to section 145.06 of the 693
Revised Code, a special election. The statements shall also be 694
filed regardless of whether, pursuant to section 145.051 of the 695
Revised Code, no election is held. The statements shall be made on 696
a form prescribed under section 111.30 of the Revised Code. The 697
first statement shall be filed not later than four p.m. on the day 698
that is twelve days before election day. The second statement 699
shall be filed not sooner than the day that is eight days after 700
election day and not later than thirty-eight days after election 701
day. The first statement shall reflect contributions and in-kind 702
contributions received and expenditures made to the close of 703

business on the twentieth day before election day. The second 704
statement shall reflect contributions and in-kind contributions 705
received and expenditures made during the period beginning on the 706
nineteenth day before election day and ending on the close of 707
business on the seventh day after election day. 708

Sec. 145.053. No person shall knowingly fail to file a 709
complete and accurate statement in accordance with section 145.052 710
of the Revised Code. 711

Sec. 145.054. The secretary of state, or any person acting on 712
personal knowledge and subject to the penalties of perjury, may 713
file a complaint with the Ohio elections commission alleging a 714
violation of section 145.053 of the Revised Code. The complaint 715
shall be made on a form prescribed and provided by the commission. 716

On receipt of a complaint under this section, the commission 717
shall hold a hearing open to the public to determine whether the 718
violation alleged in the complaint has occurred. The commission 719
may administer oaths and issue subpoenas to any person in the 720
state compelling the attendance of witnesses and the production of 721
relevant papers, books, accounts, and reports. On the refusal of 722
any person to obey a subpoena or to be sworn or to answer as a 723
witness, the commission may apply to the court of common pleas of 724
Franklin county under section 2705.03 of the Revised Code. The 725
court shall hold contempt proceedings in accordance with Chapter 726
2705. of the Revised Code. 727

The commission shall provide the person accused of the 728
violation at least seven days prior notice of the time, date, and 729
place of the hearing. The accused may be represented by an 730
attorney and shall have an opportunity to present evidence, call 731
witnesses, and cross-examine witnesses. 732

At the hearing, the commission shall determine whether the 733

violation alleged in the complaint has occurred. If the commission 734
determines that the violation has occurred, the commission shall 735
either impose a fine under section 145.99 of the Revised Code or 736
enter a finding that good cause has been shown not to impose the 737
fine. 738

Sec. 145.055. The office of a member of the public employees 739
retirement board who is convicted of or pleads guilty to a felony 740
in this state or any other jurisdiction shall be deemed vacant. 741

Sec. 145.056. (A) A member of the public employees retirement 742
board who willfully and flagrantly exercises authority or power 743
not authorized by law, refuses or willfully neglects to enforce 744
the law or to perform any official duty imposed by law, or is 745
guilty of gross neglect of duty, gross immorality, drunkenness, 746
misfeasance, malfeasance, or nonfeasance is guilty of misconduct 747
in office. On complaint and hearing in the manner provided for in 748
this section, the board member shall have judgment of forfeiture 749
of the office with all its emoluments entered against the board 750
member, creating in the office a vacancy to be filled as provided 751
by law. 752

(B) Proceedings for removal of a board member on any of the 753
grounds enumerated in division (A) of this section shall be 754
commenced by filing with the court of appeals of the district in 755
which the board member resides a written complaint specifically 756
setting forth the charge. The complaint shall be accepted if 757
signed by the governor or signed as follows: 758

(1) If the complaint is against an employee member of the 759
board, the complaint must be signed by a number of members of the 760
employee group represented by the member that equals at least the 761
following and must include signatures of at least twenty employee 762
members residing in at least five different counties: 763

(a) If the employee member was most recently elected in accordance with section 145.05 of the Revised Code, ten per cent of the number of members of the employee group represented by the employee member who voted in that election; 764
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(b) If the employee member was most recently elected under section 145.06 of the Revised Code or took office in accordance with section 145.051 of the Revised Code, ten per cent of the number of members of the employee group represented by the employee member who voted in the most recent election held in accordance with section 145.05 of the Revised Code for that employee member position on the board. 768
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(2) If the complaint is against a retirant member of the board, the complaint must be signed by a number of former members of the system authorized to vote for a retirant member in an election under section 145.05 of the Revised Code that equals at least the following and must include signatures of at least twenty former members residing in at least five different counties: 775
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(a) If the retirant member was most recently elected in accordance with section 145.05 of the Revised Code, ten per cent of the number of former members of the system who voted in that election; 781
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(b) If the retirant member was most recently elected under section 145.06 of the Revised Code or took office in accordance with section 145.051 of the Revised Code, ten per cent of the number of former members of the system who voted in the most recent election held in accordance with section 145.05 of the Revised Code for that retirant member position on the board. 785
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(C) The clerk of the court of appeals in which a complaint against a member of the board is filed under division (A) of this section shall do both of the following with respect to the complaint: 791
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(1) Submit the signatures obtained pursuant to division (B) of this section to the board for purposes of verifying the validity of the signatures. The board shall verify the validity of the signatures and report its findings to the court. 795
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(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing. 799
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If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record. 808
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The board member has the right of review or appeal to the supreme court on leave first obtained. The supreme court shall hear the case in not more than thirty court days after granting leave. In other respects, the hearing shall follow the regular procedure in appealable cases that originate in the court of appeals. 814
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(D) No individual who has been removed from the board pursuant to this section shall be eligible to fill an elective or appointed position as a member of the board. 820
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Sec. 145.06. (A) If a vacancy occurs in the term of any employee member of the public employees retirement board, the 823
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remaining members of the board shall elect an employee member from 825
the employee group lacking representation because of the vacancy 826
for the unexpired term. 827

Any employee member of the board who fails to attend the 828
meetings of the board for three months or longer, without valid 829
excuse, shall be considered as having resigned, and the board 830
shall declare the employee member's office vacated as of the date 831
of the adoption of a proper resolution. 832

(B) If a vacancy occurs during the term of office of the 833
retirant member of the board, the remaining members of the board 834
shall elect a successor retirant member who shall hold office for 835
the remainder of the predecessor retirant member's term. The 836
successor retirant member shall be a former member of the public 837
employees retirement system who is eligible for election under 838
section 145.04 of the Revised Code as the retirant member of the 839
board. 840

If a retirant member of the board fails to attend the 841
meetings of the board for three months or longer, without valid 842
excuse, the retirant member shall be considered as having 843
resigned, and the board shall declare the member's office vacated 844
as of the date of the adoption of a proper resolution. 845

If as a result of changed circumstances ~~the~~ a retirant member 846
would no longer qualify for membership on the board as the 847
retirant member, the retirant member's office shall be considered 848
vacant, and a successor retirant member shall be chosen in the 849
manner specified in this division. 850

(C) If a person elected to serve on the board is unable to 851
assume office at the January meeting of the board following the 852
person's election, a special election shall be held in accordance 853
with the provisions of section 145.05 of the Revised Code within 854
three months of the January meeting and the newly elected person 855

shall assume office at the meeting of the board immediately 856
following the special election. 857

Sec. 145.08. (A) The members of the public employees 858
retirement board shall serve without compensation but shall suffer 859
no loss or penalty whatsoever because of absence from their 860
regular employment to attend meetings authorized and called by the 861
board. The board members shall be reimbursed for all actual 862
necessary expenses from the expense fund created under division 863
(E) of section 145.23 of the Revised Code. 864

Any determination by the board that a meeting of the board, 865
or any part of the board, is necessary shall be final. 866

(B) The board may secure insurance coverage designated to 867
indemnify board members and employees for their actions or conduct 868
in the performance of official duties, and may pay required 869
premiums for such coverage from the expense fund. 870

(C) The board shall adopt rules in accordance with section 871
111.15 of the Revised Code establishing a policy for reimbursement 872
of travel expenses incurred by board members and employees in the 873
performance of their official duties. As part of any audit 874
performed under Chapter 117. of the Revised Code, an inquiry shall 875
be made into whether board members and employees have complied 876
with these rules. 877

(D) No board member or employee shall accept payment or 878
reimbursement for travel expenses, ~~other than for~~ including meals 879
and other food and beverages provided to the member or employee, 880
from any source other than the expense fund. Except in the case of 881
an emergency, no out-of-state travel expenses shall be reimbursed 882
unless approved in advance by a majority of the board at a regular 883
board meeting. 884

Sec. 145.09. The public employees retirement board shall 885

elect from its membership a chairperson, ~~and~~. The treasurer of 886
state, with the advice and consent of the board, shall appoint an 887
executive director ~~who~~ whose service shall commence immediately 888
following appointment. The executive director shall serve at the 889
pleasure of the treasurer of state. The board shall advise and 890
consent regarding the appointment not later than sixty days 891
following the appointment. The executive director shall serve as 892
secretary to the board, ~~and~~. The board shall appoint an actuary, and 893
other employees as necessary for the transaction of the business 894
of the public employees retirement system. The compensation of all 895
persons so appointed shall be fixed by the board. Every expense 896
voucher of an employee, officer, or board member of the public 897
employees retirement system shall itemize all purchases and 898
expenditures. 899

The board shall perform other functions as required for the 900
proper execution of this chapter, and may adopt rules in 901
accordance with section 111.15 of the Revised Code for the proper 902
administration and management of this chapter. 903

The board may take all appropriate action to avoid payment by 904
the system or its members of federal or state income taxes on 905
contributions to the system or amounts earned on such 906
contributions. 907

Notice of proposed rules shall be given to interested parties 908
and rules adopted by the board shall be published and otherwise 909
made available. When it files a rule with the joint committee on 910
agency rule review pursuant to section 111.15 of the Revised Code, 911
the board shall submit to the Ohio retirement study council a copy 912
of the full text of the rule, and if applicable, a copy of the 913
rule summary and fiscal analysis required by division (B) of 914
section 127.18 of the Revised Code. 915

The board may sue and be sued, plead and be impleaded, 916

contract and be contracted with. All of its business shall be 917
transacted, all of its funds invested, all warrants for money 918
drawn and payments made, and all of its cash and securities and 919
other property shall be held in the name of the board, or in the 920
name of its nominee, provided that nominees are authorized by 921
retirement board resolution for the purpose of facilitating the 922
ownership and transfer of investments. 923

Sec. 145.092. The public employees retirement board shall 924
adopt rules in accordance with section 111.15 of the Revised Code 925
to establish an ethics policy to govern board members and 926
employees in the performance of their official duties. 927

Sec. 145.093. The public employees retirement board 928
periodically shall provide training to members and employees of 929
the board. The training shall include training regarding the 930
requirements and prohibitions of Chapter 102. of the Revised Code 931
and sections 2921.42 and 2921.43 of the Revised Code, the board's 932
ethics policy, the board's policy regarding travel expenses of 933
members and employees of the board, the board's policy regarding 934
employee compensation and any bonuses, and any other training the 935
board considers appropriate. 936

Sec. 145.094. The public employees retirement board shall 937
appoint a committee to oversee the selection of an internal 938
auditor. The committee shall select one or more persons for 939
employment as an internal auditor. The board shall employ the 940
person or persons selected by the committee. 941

The committee shall consist of the following board members: 942
one retirant member, one employee member, and one ex officio 943
member. The committee shall annually prepare and submit to the 944
Ohio retirement study council a report of its actions during the 945
preceding year. 946

Sec. 145.11. (A) The members of the public employees 947
retirement board shall be the trustees of the funds created by 948
section 145.23 of the Revised Code. The board shall have full 949
power to invest the funds. The board and other fiduciaries shall 950
discharge their duties with respect to the funds solely in the 951
interest of the participants and beneficiaries; for the exclusive 952
purpose of providing benefits to participants and their 953
beneficiaries and defraying reasonable expenses of administering 954
the public employees retirement system; with care, skill, 955
prudence, and diligence under the circumstances then prevailing 956
that a prudent person acting in a like capacity and familiar with 957
these matters would use in the conduct of an enterprise of a like 958
character and with like aims; and by diversifying the investments 959
of the system so as to minimize the risk of large losses, unless 960
under the circumstances it is clearly prudent not to do so. 961

To facilitate investment of the funds, the board may 962
establish a partnership, trust, limited liability company, 963
corporation, including a corporation exempt from taxation under 964
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 965
amended, or any other legal entity authorized to transact business 966
in this state. 967

(B) In exercising its fiduciary responsibility with respect 968
to the investment of the funds, it shall be the intent of the 969
board to give consideration to investments that enhance the 970
general welfare of the state and its citizens where the 971
investments offer quality, return, and safety comparable to other 972
investments currently available to the board. In fulfilling this 973
intent, equal consideration shall also be given to investments 974
otherwise qualifying under this section that involve minority 975
owned and controlled firms and firms owned and controlled by 976
women, either alone or in joint venture with other firms. 977

The board shall adopt, in regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. In adopting policies and criteria for the selection of agents with whom the board may contract for the administration of the funds, the board shall comply with sections 145.114 and 145.116 of the Revised Code and shall also give equal consideration to minority owned and controlled firms, firms owned and controlled by women, and ventures involving minority owned and controlled firms and firms owned and controlled by women that otherwise meet the policies and criteria established by the board. Amendments and additions to the policies and criteria shall be adopted in regular meeting. The board shall publish its policies, objectives, and criteria under this provision no less often than annually and shall make copies available to interested parties.

When reporting on the performance of investments, the board shall comply with the performance presentation standards established by the association for investment management and research.

(C) All investments shall be purchased at current market prices and the evidences of title of the investments shall be placed in the hands of the treasurer of state, who is hereby designated as custodian thereof, or in the hands of the treasurer of state's authorized agent. Evidences of title of the investments so purchased may be deposited by the treasurer of state for safekeeping with an authorized agent, selected by the treasurer of state, ~~who that~~ is a qualified trustee under section 135.18 trust company that meets the requirements of Chapter 1111. of the Revised Code. The treasurer of state or the agent shall collect the principal, dividends, distributions, and interest thereon as

they become due and payable and place them when so collected into 1010
the custodial funds. 1011

The treasurer of state shall pay for investments purchased by 1012
the retirement board on receipt of written or electronic 1013
instructions from the board or the board's designated agent 1014
authorizing the purchase and pending receipt of the evidence of 1015
title of the investment by the treasurer of state or the treasurer 1016
of state's authorized agent. The board may sell investments held 1017
by the board, and the treasurer of state or the treasurer of 1018
state's authorized agent shall accept payment from the purchaser 1019
and deliver evidence of title of the investment to the purchaser 1020
on receipt of written or electronic instructions from the board or 1021
the board's designated agent authorizing the sale, and pending 1022
receipt of the moneys for the investments. The amount received 1023
shall be placed in the custodial funds. The board and the 1024
treasurer of state may enter into agreements to establish 1025
procedures for the purchase and sale of investments under this 1026
division and the custody of the investments. 1027

(D) No purchase or sale of any investment shall be made under 1028
this section except as authorized by the public employees 1029
retirement board. 1030

(E) Any statement of financial position distributed by the 1031
board shall include the fair value, as of the statement date, of 1032
all investments held by the board under this section. 1033

Sec. 145.114. (A) As used in this section and sections 1034
145.115 to 145.119 of the Revised Code: 1035

(1) "Agent" means a licensed dealer, as defined in section 1036
1707.01 of the Revised Code. 1037

(2) "Approved agent" means an agent designated as such by the 1038
public employees retirement board. 1039

(3) "Minority business enterprise" has the same meaning as in section 122.71 of the Revised Code. 1040
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(4) "Principals" means persons primarily responsible for directing the operations of the agent. 1042
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(B) The public employees retirement board shall designate approved agents for the purposes of this section and annually compile and make available on request a list of approved agents. 1044
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(C) The board shall designate an agent as an approved agent if the agent meets all of the following requirements: 1047
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(1) Submits to the board all information required by the board concerning the agent's history, personnel with substantial responsibilities regarding equity investments, support personnel, clients, fees, and any related matter specified by the board; 1049
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(2) Has practiced, or each of its principals has practiced, as an agent in this state for at least three years prior to designation; 1053
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(3) Is subject to taxation by this state; 1056

(4) Employs at least five residents of this state; 1057

(5) Has demonstrated professional and administrative ability; 1058

(6) Has no outstanding legal judgments or past judgments that reflect negatively on the agent or on the public employees retirement system. 1059
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(D) In any year, not less than seventy per cent of the equity and fixed-income trades executed on behalf of the board shall be executed by approved agents. The board shall have as a goal that not less than an additional ten per cent of the equity and fixed-income trades executed on behalf of the board be executed by approved agents that are minority business enterprises. 1062
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The percentage of equity trades executed on behalf of the 1068

board shall be measured by the dollar value of commissions paid. 1069
The percentage of fixed-income trades executed on behalf of the 1070
board shall be measured by the face value of the fixed-income 1071
securities traded. 1072

Sec. 145.115. (A) The public employees retirement system 1073
shall disclose the following to the division of securities in the 1074
department of commerce and to the Ohio ethics commission: 1075

(1) Any amount of money received by the system from an agent 1076
and any amount of money spent by an agent for an expense of the 1077
system; 1078

(2) The name of any employee of the system with authority 1079
over the investment of retirement system funds or any board member 1080
of the system who deals with an agent regarding amounts described 1081
in division (A)(1) of this section. 1082

(B) The disclosures required by this section shall be made 1083
annually in a report submitted by a date jointly prescribed by the 1084
division of securities and the Ohio ethics commission. 1085

Sec. 145.116. (A) The public employees retirement board may 1086
contract with an investment manager to develop the retirement 1087
system's investment strategies and to manage assets of the 1088
retirement system on the board's behalf if the investment manager 1089
meets all of the following requirements: 1090

(1) Is one of the following: 1091

(a) A bank as defined in section 1101.01 of the Revised Code; 1092

(b) An insurance company as defined in 15 U.S.C. 80a-2; 1093

(c) An investment company as defined in section 1111.01 of 1094
the Revised Code; 1095

(d) An investment adviser as defined in 15 U.S.C. 80b-2. 1096

(2) Provides to the board the investment manager's investment strategies and objectives and evidence satisfactory to the board that the investment manager has successfully employed the investment strategies and objectives; 1097
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(3) Demonstrates to the board's satisfaction that the investment manager has done both of the following for a period of time the board specifies: 1101
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(a) Achieved performance measures calculated on a time-weighted basis and based on a composite of fully discretionary accounts of similar investment style; 1104
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(b) Had net and gross fees that are at least comparable to other investment managers with similar investment strategies and objectives. 1107
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(4) Provides to the board a performance evaluation report of the investment manager that is prepared by an objective third party not affiliated with the investment manager and illustrates the investment manager's risk and return profile relative to other investment managers with similar investment strategies and objectives; 1110
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(5) Provides to the board all information required by the board concerning the investment manager's history, personnel with substantial responsibilities regarding investment strategies and objectives, support personnel, clients, fees, and any related matter the board specifies; 1116
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(6) Does not have any judgments against the investment manager that may, in the board's opinion, reflect negatively on the investment manager or retirement system. 1121
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(B) If the board seeks to contract with an investment manager to develop the retirement system's investment strategies and to manage assets of the retirement system on the board's behalf, the 1124
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board shall do all of the following: 1127

(1) Provide for investment managers that meet both of the 1128
following requirements to manage not less than fifty per cent of 1129
the assets of the retirement system that are not managed by 1130
employees of the board: 1131

(a) Have at least one contract that the board determines is 1132
significant with another state- or federal-level government 1133
entity; 1134

(b) Meet any of the following requirements: 1135

(i) Have its corporate headquarters in this state; 1136

(ii) Have at least three operating locations in this state 1137
and employ at least fifteen individuals at each location; 1138

(iii) Employ at least five hundred individuals in this state. 1139

(2) Have as a goal that investment managers that are minority 1140
business enterprises manage not less than an additional ten per 1141
cent of the assets of the retirement system; 1142

(3) Have as a goal that one or more emerging investment 1143
managers manage not less than an additional three per cent of the 1144
assets of the retirement system in accordance with a policy the 1145
board may adopt. If the board adopts a policy, it shall do both of 1146
the following: 1147

(a) Establish criteria that an investment manager must meet 1148
to be designated by the board as an emerging investment manager. 1149
The criteria shall require that an investment manager meet at 1150
least both of the following requirements to be designated as an 1151
emerging investment manager: 1152

(i) At the time of application for designation as an emerging 1153
investment manager, manage not more than five hundred million 1154
dollars worth of investments; 1155

(ii) Have at least one contract that the board determines is significant with another state- or local-level government entity. 1156
1157

(b) Provide for an emerging investment manager that meets all of the following requirements to receive preference over other emerging investment managers in obtaining a contract with the board to manage assets of the retirement system: 1158
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(i) Has its corporate headquarters in this state; 1162

(ii) Employs at least five individuals in this state; 1163

(iii) Has other investment operations within this state that utilize agents and the board determines are significant. 1164
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Sec. 145.117. If the public employees retirement board contracts with an investment manager to develop the retirement system's investment strategies and to manage assets of the retirement system on the board's behalf, the investment manager shall do all of the following: 1166
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(A) Comply with the board's investment policies and objectives for the operation of the board's investment program adopted under section 145.11 of the Revised Code and all laws governing the board's investments when developing the retirement system's investment strategies and managing the assets of the retirement system on the board's behalf; 1171
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(B) Promptly inform the board in writing of any material change to the investment manager's organization or professional staff; 1177
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(C) At the board's direction, vote by proxy for the board in a manner consistent with the long-term interests of the retirement system and the board's investment policies and objectives; 1180
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(D) Keep detailed records of any votes by proxy made under division (C) of this section; 1183
1184

(E) On at least a quarterly basis, report to the board on the status of the board's investments that the investment manager manages, including the gains and losses of the investments for the reporting period; 1185
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(F) Meet with officers and employees of the retirement system at least twice a year to report on the economic outlook of the board's investments that the investment manager manages and the investment manager's compliance with the board's investment policies and objectives. 1189
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Sec. 145.118. If the public employees retirement board contracts with an investment manager to develop the retirement system's investment strategies and to manage the assets of the retirement system on the board's behalf, the board, to the extent necessary to comply with division (D) of section 145.114 of the Revised Code, shall supervise and control the equity and fixed-income trades that the investment manager causes to be executed on the board's behalf. 1194
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Sec. 145.119. (A) Each quarter, the public employees retirement board shall submit a report containing all of the following information to the Ohio retirement study council: 1202
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(1) The name of each agent designated as an approved agent under division (C) of section 145.114 of the Revised Code; 1205
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(2) The per cent of the equity and fixed-income trades that approved agents execute on behalf of the board pursuant to division (D) of section 145.114 of the Revised Code; 1207
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(3) The per cent of the equity and fixed-income trades that approved agents that are minority business enterprises execute on behalf of the board pursuant to division (D) of section 145.114 of the Revised Code; 1210
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(4) The name of each investment manager with which the board contracts under section 145.116 of the Revised Code; 1214
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(5) The per cent of the assets of the public employees retirement system that investment managers manage pursuant to division (B)(1) of section 145.116 of the Revised Code and the status of those assets; 1216
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(6) The per cent of the assets of the system that investment managers that are minority business enterprises manage pursuant to division (B)(2) of section 145.116 of the Revised Code and the status of those assets; 1220
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(7) The per cent of the assets of the system that emerging investment managers manage pursuant to division (B)(3) of section 145.116 of the Revised Code and the status of those assets; 1224
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(8) A summary of investment managers' compliance with section 145.117 of the Revised Code. 1227
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(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code. 1229
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Sec. 145.193. Except as provided in division ~~(E)~~(F) of section 3305.05 of the Revised Code, an election made or deemed to have been made under section 145.19 or 145.191 of the Revised Code applies to all positions subject to this chapter for which the member is contributing under section 145.47 or 145.85 of the Revised Code. A member who terminates employment in all positions subject to this chapter and later becomes employed in a position subject to this chapter may make an election under section 145.19 of the Revised Code as provided by that section. 1233
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Sec. 145.40. (A)(1) Subject to the provisions of section 1242

145.57 of the Revised Code and except as provided in section 1243
145.402 of the Revised Code and division (B) of this section, if a 1244
member elects to become exempt from contribution to the public 1245
employees retirement system pursuant to section 145.03 of the 1246
Revised Code or ceases to be a public employee for any cause other 1247
than death, retirement, receipt of a disability benefit, or 1248
current employment in a position in which the member has elected 1249
to participate in an alternative retirement plan under section 1250
3305.05 of the Revised Code, upon application the public employees 1251
retirement board shall pay the member the member's accumulated 1252
contributions, plus any applicable amount calculated under section 1253
145.401 of the Revised Code, provided that both the following 1254
apply: 1255

(a) Three months have elapsed since the member's service 1256
subject to this chapter, other than service exempted from 1257
contribution pursuant to section 145.03 of the Revised Code, was 1258
terminated; 1259

(b) The member has not returned to service subject to this 1260
chapter, other than service exempted from contribution pursuant to 1261
section 145.03 of the Revised Code, during that three-month 1262
period. 1263

The payment of such accumulated contributions shall cancel 1264
the total service credit of such member in the public employees 1265
retirement system. 1266

(2) A member described in division (A)(1) of this section who 1267
is married at the time of application for payment and is eligible 1268
for age and service retirement under section 145.32, 145.33, 1269
145.331, or 145.34 of the Revised Code shall submit with the 1270
application a written statement by the member's spouse attesting 1271
that the spouse consents to the payment of the member's 1272
accumulated contributions. Consent shall be valid only if it is 1273

signed and witnessed by a notary public. 1274

The board may waive the requirement of consent if the spouse 1275
is incapacitated or cannot be located, or for any other reason 1276
specified by the board. Consent or waiver is effective only with 1277
regard to the spouse who is the subject of the consent or waiver. 1278

(B) This division applies to any member who is employed in a 1279
position in which the member has made an election under section 1280
3305.05 of the Revised Code and due to the election ceases to be a 1281
public employee for purposes of that position. 1282

Subject to section 145.57 of the Revised Code, the public 1283
employees retirement system shall do the following: 1284

(1) On receipt of a certified copy of a form evidencing an 1285
election under section 3305.05 of the Revised Code, pay to the 1286
appropriate provider, in accordance with section ~~3305.051~~ 3305.052 1287
of the Revised Code, the amount described in section ~~3305.051~~ 1288
3303.052 of the Revised Code; 1289

(2) If a member has accumulated contributions, in addition to 1290
those subject to division (B)(1) of this section, standing to the 1291
credit of the member's individual account and is not otherwise 1292
employed in a position in which the member is considered a public 1293
employee for the purposes of that position, pay, to the provider 1294
the member selected pursuant to section 3305.05 of the Revised 1295
Code, the member's accumulated contributions. The payment shall be 1296
made on the member's application. 1297

(C) Payment of a member's accumulated contributions under 1298
division (B) of this section cancels the member's total service 1299
credit in the public employees retirement system. A member whose 1300
accumulated contributions are paid to a provider pursuant to 1301
division (B) of this section is forever barred from claiming or 1302
purchasing service credit under the public employees retirement 1303
system for the period of employment attributable to those 1304

contributions. 1305

Sec. 145.99. Whoever violates section 145.053 of the Revised Code shall be fined not more than one hundred dollars for each day of the violation. 1306
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Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code. 1309
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Sec. 171.04. The Ohio retirement study council shall: 1312

(A) Make an impartial review from time to time of all laws governing the administration and financing of the pension and retirement funds under Chapters 145., 146., 742., 3307., 3309., and 5505. of the Revised Code and recommend to the general assembly any changes it may find desirable with respect to the allowances and benefits, sound financing of the cost of benefits, the prudent investment of funds, and the improvement of the language, structure, and organization of the laws; 1313
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(B) Make an annual report to the governor and to the general assembly covering its evaluation and recommendations with respect to the operations of the state retirement systems and their funds; 1321
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(C) Study all changes in the retirement laws proposed to the general assembly and report to the general assembly on their probable costs, actuarial implications, and desirability as a matter of public policy; 1324
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(D) Review semiannually the policies, objectives, and criteria adopted under sections 145.11, 742.11, 3307.15, 3309.15, and 5505.06 of the Revised Code for the operation of the investment programs of the state retirement systems, including a review of asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, relative volatility, and performance evaluation guidelines. The council 1328
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shall, not later than thirty days after completing a review, 1335
submit to the governor and the general assembly a report 1336
summarizing its findings. 1337

(E) Have prepared by an independent actuary, at least once 1338
every ten years, an actuarial review of the annual actuarial 1339
valuations and quinquennial actuarial investigations prepared 1340
under sections 145.22, 742.14, 3307.20, 3309.21, and 5505.12 of 1341
the Revised Code, including a review of the actuarial assumptions 1342
and methods, the data underlying the valuations and 1343
investigations, and the adequacy of each system's employee and 1344
employer contribution rates to amortize its unfunded actuarial 1345
pension liability, if any, and to support the payment of benefits 1346
authorized by Chapter 145., 742., 3307., 3309., or 5505. of the 1347
Revised Code. The council shall submit to the governor and the 1348
general assembly a report summarizing the review. 1349

(F) Establish a uniform format for the reports to be 1350
submitted to the council under sections 145.119, 742.119, 1351
3307.157, 3309.1512, and 5505.067 of the Revised Code. 1352

(G) Have conducted by an independent auditor at least once 1353
every ten years a fiduciary performance audit of each of the state 1354
retirement systems. 1355

All costs associated with an audit conducted pursuant to this 1356
division shall be paid by the retirement system audited. 1357

Sec. 742.03. (A) As used in this section and in sections 1358
742.04 and 742.05 of the Revised Code: 1359

(1) "Police officer" means a member of the fund who is or has 1360
been an employee of a police department and is not a police 1361
retirant. 1362

(2) "Firefighter" means a member of the fund who is or has 1363
been an employee of a fire department and is not a firefighter 1364

retirant. 1365

(3) "Firefighter retirant" means a member of the fund who is 1366
receiving an age and service or disability benefit as a result of 1367
service in a fire department or a surviving spouse of a deceased 1368
member who is receiving a benefit as a result of the deceased 1369
member's service in a fire department. "Firefighter retirant" does 1370
not include a member of the fund who is participating in the 1371
deferred retirement option plan established under section 742.43 1372
of the Revised Code. 1373

(4) "Police retirant" means a member of the fund who is 1374
receiving an age and service or disability benefit as a result of 1375
service in a police department or a surviving spouse of a deceased 1376
member who is receiving a benefit as a result of the deceased 1377
member's service in a police department. "Police retirant" does 1378
not include a member of the fund who is participating in the 1379
deferred retirement option plan established under section 742.43 1380
of the Revised Code. 1381

(B) The administration, control, and management of the Ohio 1382
police and fire pension fund, created under section 742.02 of the 1383
Revised Code, is vested in a board of trustees of the Ohio police 1384
and fire pension fund, which shall consist of nine members as 1385
follows: 1386

(1) ~~The attorney general~~ treasurer of state; 1387

(2) ~~The auditor of state~~ An individual, appointed by the 1388
governor, who has not less than five years of direct experience in 1389
the management, analysis, supervision, or investment of assets. 1390
The governor shall request that the director of administrative 1391
services, with the organizations representing county 1392
commissioners, municipal corporations, and townships in this state 1393
submit to the governor the names and qualifications of three 1394
nominees. The governor shall appoint to the board one of the 1395

persons nominated by the director and organizations. This member's 1396
term of office shall be four years, commencing on the fourth day 1397
of June and ending on the third day of June. The member shall hold 1398
office from the date of appointment until the end of the term for 1399
which the appointment was made. A member appointed by the governor 1400
to fill a vacancy occurring prior to the expiration of the term 1401
for which the member's predecessor was appointed shall hold office 1402
for the remainder of the term. The member shall continue in office 1403
subsequent to the expiration date of the member's term until the 1404
member's successor takes office, or until a period of sixty days 1405
has elapsed, whichever occurs first; 1406

(3) The fiscal officer of a municipal corporation who shall 1407
be appointed by the governor. This member's term shall be for 1408
three years, commencing on the fourth day of June and ending on 1409
the third day of June. The fiscal officer member shall hold office 1410
from the date of appointment until the end of the term for which 1411
appointed. Any fiscal officer member appointed to fill a vacancy 1412
occurring prior to the expiration of the term for which the fiscal 1413
officer member's predecessor was appointed shall hold office for 1414
the remainder of such term. Any fiscal officer member shall 1415
continue in office subsequent to the expiration date of the fiscal 1416
officer member's term until such member's successor takes office, 1417
or until a period of sixty days has elapsed, whichever occurs 1418
first. 1419

(4) Four members known as employee members. 1420

Two employee members shall be police officers elected by 1421
police officers. Two employee members shall be firefighters 1422
elected by firefighters. Employee members of the board shall be 1423
elected for terms of four years as provided by section 742.04 of 1424
the Revised Code. 1425

(5) One member known as the firefighter retirant member, who 1426
shall be a resident of this state elected by the firefighter 1427

retirants. The firefighter retirant member shall be elected for a 1428
term of four years as provided by section 742.04 of the Revised 1429
Code. 1430

(6) One member known as the police retirant member, who shall 1431
be a resident of this state elected by the police retirants. The 1432
police retirant member shall be elected for a term of four years 1433
as provided by section 742.04 of the Revised Code. 1434

(C) No employee member of the board who retires while a 1435
member of the board shall be eligible to become a retirant member 1436
for three years after the date of the member's retirement. 1437

(D) No person who has been convicted of or pleaded guilty to 1438
a felony in this state or any other jurisdiction is eligible to 1439
become an employee member or retirant member of the board. 1440

Sec. 742.042. (A) As used in this section: 1441

(1) "Campaign committee" means a candidate or a combination 1442
of two or more persons authorized by a candidate to receive 1443
contributions and in-kind contributions and make expenditures on 1444
behalf of the candidate. 1445

(2) "Candidate" means an individual who has been nominated 1446
pursuant to section 742.04 of the Revised Code for election to the 1447
board of trustees of the Ohio police and fire pension fund. 1448

(3) "Contribution" means a loan, gift, deposit, forgiveness 1449
of indebtedness, donation, advance, payment, transfer of funds or 1450
transfer of anything of value including a transfer of funds from 1451
an inter vivos or testamentary trust or decedent's estate, and the 1452
payment by any person other than the person to whom the services 1453
are rendered for the personal services of another person, which 1454
contribution is made, received, or used for the purpose of getting 1455
an individual nominated pursuant to section 742.04 of the Revised 1456
Code for election to the board of trustees of the Ohio police and 1457

fire pension fund or influencing the results of an election to the 1458
board of trustees under that section. "Contribution" does not 1459
include: 1460

(a) Services provided without compensation by individuals 1461
volunteering a portion or all of their time on behalf of a person; 1462

(b) Ordinary home hospitality; 1463

(c) The personal expenses of a volunteer paid for by that 1464
volunteer campaign worker. 1465

(4) "Election day" means the following, as appropriate to the 1466
situation: 1467

(a) The third Tuesday in May of a year for which section 1468
742.04 of the Revised Code specifies that an election for a member 1469
of the board of trustees of the Ohio police and fire pension fund 1470
be held; 1471

(b) If, pursuant to section 742.041 of the Revised Code, no 1472
election is held, the third Tuesday in May of a year that the 1473
election would have been held if not for section 742.041 of the 1474
Revised Code. 1475

(5) "Expenditure" means the disbursement or use of a 1476
contribution for the purpose of getting an individual nominated 1477
pursuant to section 742.04 of the Revised Code for election to the 1478
board of trustees of the Ohio police and fire pension fund or 1479
influencing the results of an election to the board of trustees 1480
pension fund under section 742.04 of the Revised Code. 1481

(6) "In-kind contribution" means anything of value other than 1482
money that is used to get an individual nominated pursuant to 1483
section 742.04 of the Revised Code for election to the board of 1484
trustees of the Ohio police and fire pension fund or influence the 1485
results of an election to the board of trustees under that section 1486
or is transferred to or used in support of or in opposition to a 1487

candidate and that is made with the consent of, in coordination, 1488
cooperation, or consultation with, or at the request or suggestion 1489
of the benefited candidate. The financing of the dissemination, 1490
distribution, or republication, in whole or part, of any broadcast 1491
or of any written, graphic, or other form of campaign materials 1492
prepared by the candidate, the candidate's campaign committee, or 1493
their authorized agents is an in-kind contribution to the 1494
candidate and an expenditure by the candidate. 1495

(7) "Personal expenses" includes ordinary expenses for 1496
accommodations, clothing, food, personal motor vehicle or 1497
airplane, and home telephone. 1498

(B) Each candidate who, or whose campaign committee, receives 1499
contributions or in-kind contributions totaling one thousand 1500
dollars or more or has expenditures totaling one thousand dollars 1501
or more in connection with the candidate's efforts to be nominated 1502
for election to the board of trustees of the Ohio police and fire 1503
pension fund or to be elected to the board of trustees shall file 1504
with the secretary of state two complete, accurate, and itemized 1505
statements setting forth in detail the contributions, in-kind 1506
contributions, and expenditures. The statements shall be filed 1507
regardless of whether, pursuant to section 742.041 of the Revised 1508
Code, no election is held. The statements shall be made on a form 1509
prescribed under section 111.30 of the Revised Code. The first 1510
statement shall be filed not later than four p.m. on the day that 1511
is twelve days before election day. The second statement shall be 1512
filed not sooner than the day that is eight days after election 1513
day and not later than thirty-eight days after election day. The 1514
first statement shall reflect contributions and in-kind 1515
contributions received and expenditures made to the close of 1516
business on the twentieth day before election day. The second 1517
statement shall reflect contributions and in-kind contributions 1518
received and expenditures made during the period beginning on the 1519

nineteenth day before election day and ending on the close of 1520
business on the seventh day after election day. 1521

Sec. 742.043. No person shall knowingly fail to file a 1522
complete and accurate statement in accordance with section 742.042 1523
of the Revised Code. 1524

Sec. 742.044. The secretary of state, or any person acting on 1525
personal knowledge and subject to the penalties of perjury, may 1526
file a complaint with the Ohio elections commission alleging a 1527
violation of section 742.043 of the Revised Code. The complaint 1528
shall be made on a form prescribed and provided by the commission. 1529

On receipt of a complaint under this section, the commission 1530
shall hold a hearing open to the public to determine whether the 1531
violation alleged in the complaint has occurred. The commission 1532
may administer oaths and issue subpoenas to any person in the 1533
state compelling the attendance of witnesses and the production of 1534
relevant papers, books, accounts, and reports. On the refusal of 1535
any person to obey a subpoena or to be sworn or to answer as a 1536
witness, the commission may apply to the court of common pleas of 1537
Franklin county under section 2705.03 of the Revised Code. The 1538
court shall hold proceedings in accordance with Chapter 2705. of 1539
the Revised Code. 1540

The commission shall provide the person accused of the 1541
violation at least seven days prior notice of the time, date, and 1542
place of the hearing. The accused may be represented by an 1543
attorney and shall have an opportunity to present evidence, call 1544
witnesses, and cross-examine witnesses. 1545

At the hearing, the commission shall determine whether the 1546
violation alleged in the complaint has occurred. If the commission 1547
determines that the violation has occurred, the commission shall 1548
either impose a fine under section 742.99 of the Revised Code or 1549

enter a finding that good cause has been shown not to impose the 1550
fine. 1551

Sec. 742.045. The office of a member of the board of trustees 1552
of the police and fire pension fund who is convicted of or pleads 1553
guilty to a felony in this state or any other jurisdiction shall 1554
be deemed vacant. 1555

Sec. 742.046. (A) A member of the board of trustees of the 1556
Ohio police and fire pension fund who willfully and flagrantly 1557
exercises authority or power not authorized by law, refuses or 1558
willfully neglects to enforce the law or to perform any official 1559
duty imposed by law, or is guilty of gross neglect of duty, gross 1560
immorality, drunkenness, misfeasance, malfeasance, or nonfeasance 1561
is guilty of misconduct in office. On complaint and hearing in the 1562
manner provided for in this section, the board member shall have 1563
judgment of forfeiture of the office with all its emoluments 1564
entered against the board member, creating in the office a vacancy 1565
to be filled as provided by law. 1566

(B) Proceedings for removal of a board member on any of the 1567
grounds enumerated in division (A) of this section shall be 1568
commenced by filing with the court of appeals of the district in 1569
which the board member resides a written complaint specifically 1570
setting forth the charge. The complaint shall be accepted if 1571
signed by the governor or signed as follows: 1572

(1) If the complaint is against a police officer employee 1573
member of the board, the complaint must be signed by a number of 1574
police officer members of the fund that equals at least the 1575
following and must include signatures of at least twenty police 1576
officer members residing in at least five different counties: 1577

(a) If the police officer employee member was most recently 1578
elected in accordance with section 742.04 of the Revised Code, ten 1579

per cent of the number of police officers who voted in that 1580
election; 1581

(b) If the police officer employee member most recently 1582
became a member of the board of trustees pursuant to section 1583
742.05 of the Revised Code or took office in accordance with 1584
section 742.041 of the Revised Code, ten per cent of the number of 1585
police officers who voted in the most recent election held in 1586
accordance with section 742.04 of the Revised Code for that police 1587
officer employee member position on the board of trustees. 1588

(2) If the complaint is against a firefighter employee member 1589
of the board of trustees, the complaint must be signed by a number 1590
of firefighter members of the fund that equals at least the 1591
following and must include signatures of at least twenty 1592
firefighter members residing in at least five different counties: 1593

(a) If the firefighter employee member was most recently 1594
elected in accordance with section 742.04 of the Revised Code, ten 1595
per cent of the number of firefighters who voted in that election; 1596

(b) If the firefighter employee member most recently became a 1597
member of the board of trustees pursuant to section 742.05 of the 1598
Revised Code or took office in accordance with section 742.041 of 1599
the Revised Code, ten per cent of the number of firefighters who 1600
voted in the most recent election held in accordance with section 1601
742.04 of the Revised Code for that firefighter employee member 1602
position on the board. 1603

(3) If the complaint is against the police retirant member of 1604
the board of trustees, the complaint must be signed by a number of 1605
police retirants that equals at least the following and must 1606
include signatures of at least twenty police retirants residing in 1607
at least five different counties: 1608

(a) If the police retirant member was most recently elected 1609
in accordance with section 742.04 of the Revised Code, ten per 1610

cent of the number of police retirants who voted in that election; 1611

(b) If the police retirant member most recently became a 1612
member of the board of trustees under section 742.05 of the 1613
Revised Code or took office in accordance with section 742.041 of 1614
the Revised Code, ten per cent of the number of police retirants 1615
who voted in the most recent election held in accordance with 1616
section 742.04 of the Revised Code for the police retirant member 1617
position on the board. 1618

(4) If the complaint is against the firefighter retirant 1619
member of the board of trustees, the complaint must be signed by a 1620
number of firefighter retirants that equals at least the following 1621
and must include signatures of at least twenty firefighter 1622
retirants residing in at least five different counties: 1623

(a) If the firefighter retirant member was most recently 1624
elected in accordance with section 742.04 of the Revised Code, ten 1625
per cent of the number of firefighter retirants who voted in that 1626
election; 1627

(b) If the firefighter retirant member most recently became a 1628
member of the board of trustees under section 742.05 of the 1629
Revised Code or took office in accordance with section 742.041 of 1630
the Revised Code, ten per cent of the number of firefighter 1631
retirants who voted in the most recent election held in accordance 1632
with section 742.04 of the Revised Code for the firefighter 1633
retirant member position on the board. 1634

(C) The clerk of the court of appeals in which a complaint 1635
against a member of the board of trustees is filed under division 1636
(A) of this section shall do both of the following with respect to 1637
the complaint: 1638

(1) Submit the signatures obtained pursuant to division (B) 1639
of this section to the board for purposes of verifying the 1640
validity of the signatures. The board shall verify the validity of 1641

the signatures and report its findings to the court.

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(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing.

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If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record.

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The board member has the right of review or appeal to the supreme court on leave first obtained. The supreme court shall hear the case in not more than thirty court days after granting leave. In other respects, the hearing shall follow the regular procedure in appealable cases that originate in the court of appeals.

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(D) No individual who has been removed from the board pursuant to this section shall be eligible to fill an elective or appointed position as a member of the board.

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Sec. 742.08. (A) The members of the board of trustees of the Ohio police and fire pension fund shall serve without compensation but shall be reimbursed for their necessary expenses incurred in the performance of their official duties.

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An employee member of the board shall suffer no loss or

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penalty whatsoever because of absence from the employee member's 1672
regular employment while engaged in official duties as a member of 1673
the board. 1674

(B) The board may secure insurance coverage designed to 1675
indemnify board members and employees for their actions or conduct 1676
in the performance of official duties, and may pay required 1677
premiums for such coverage from the expense fund. 1678

(C) The board shall adopt rules in accordance with section 1679
111.15 of the Revised Code establishing a policy for reimbursement 1680
of travel expenses incurred by board members and employees in the 1681
performance of their official duties. As part of any audit 1682
performed under Chapter 117. of the Revised Code, an inquiry shall 1683
be made into whether board members and employees have complied 1684
with these rules. 1685

(D) No board member or employee shall accept payment or 1686
reimbursement for travel expenses, ~~other than for~~ including meals 1687
and other food and beverages provided to the member or employee, 1688
from any source other than the expense fund established under 1689
section 742.59 of the Revised Code. Except in the case of an 1690
emergency, no out-of-state travel expenses shall be reimbursed 1691
unless approved in advance by a majority of the board at a regular 1692
board meeting. 1693

Sec. 742.10. The board of trustees of the Ohio police and 1694
fire pension fund may sue and be sued, plead and be impleaded, 1695
contract and be contracted with, employ and fix the compensation 1696
of employees, and adopt rules for the proper administration and 1697
management of the fund. 1698

The treasurer of state, with the advice and consent of the 1699
board, shall appoint an executive director whose service shall 1700
commence immediately following appointment. The executive director 1701

shall serve at the pleasure of the treasurer of state. The board 1702
shall advise and consent regarding the appointment not later than 1703
sixty days following the appointment. 1704

The attorney general shall prescribe procedures for the 1705
adoption of rules authorized under this chapter, consistent with 1706
the provisions of section 111.15 of the Revised Code under which 1707
all rules shall be filed in order to be effective. Such procedures 1708
shall establish methods by which notice of proposed rules is given 1709
to interested parties and rules adopted by the board published and 1710
otherwise made available. When it files a rule with the joint 1711
committee on agency rule review pursuant to section 111.15 of the 1712
Revised Code, the board shall submit to the Ohio retirement study 1713
council a copy of the full text of the rule, and if applicable, a 1714
copy of the rule summary and fiscal analysis required by division 1715
(B) of section 127.18 of the Revised Code. 1716

All rules adopted pursuant to this chapter, prior to August 1717
20, 1976, shall be published and made available to interested 1718
parties by January 1, 1977. 1719

Sec. 742.102. The Ohio police and fire pension board of 1720
trustees shall adopt rules in accordance with section 111.15 of 1721
the Revised Code to establish an ethics policy to govern board 1722
members and employees in the performance of their official duties. 1723

Sec. 742.103. The board of trustees of the police and fire 1724
pension fund periodically shall provide training to members and 1725
employees of the board. The training shall include training 1726
regarding the requirements and prohibitions of Chapter 102. of the 1727
Revised Code and sections 2921.42 and 2921.43 of the Revised Code, 1728
the board's ethics policy, the board's policy regarding travel 1729
expenses of members and employees of the board, the board's policy 1730
regarding employee compensation and any bonuses, and any other 1731

training the board considers appropriate.

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Sec. 742.104. The Ohio police and fire pension board of trustees shall appoint a committee to oversee the selection of an internal auditor. The committee shall select one or more persons for employment as an internal auditor. The board shall employ the person or persons selected by the committee.

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The committee shall consist of the following board members: one retirant member, one employee member, and one ex officio member. The committee shall annually prepare and submit to the Ohio retirement study council a report of its actions during the preceding year.

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Sec. 742.11. (A) The members of the board of trustees of the Ohio police and fire pension fund shall be the trustees of the funds created by section 742.59 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Ohio police and fire pension fund; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the disability and pension fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

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To facilitate investment of the funds, the board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under

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the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 1763
amended, or any other legal entity authorized to transact business 1764
in this state. 1765

(B) In exercising its fiduciary responsibility with respect 1766
to the investment of the funds, it shall be the intent of the 1767
board to give consideration to investments that enhance the 1768
general welfare of the state and its citizens where the 1769
investments offer quality, return, and safety comparable to other 1770
investments currently available to the board. In fulfilling this 1771
intent, equal consideration shall be given to investments 1772
otherwise qualifying under this section that involve minority 1773
owned and controlled firms and firms owned and controlled by 1774
women, either alone or in joint venture with other firms. 1775

The board shall adopt, in regular meeting, policies, 1776
objectives, or criteria for the operation of the investment 1777
program that include asset allocation targets and ranges, risk 1778
factors, asset class benchmarks, time horizons, total return 1779
objectives, and performance evaluation guidelines. In adopting 1780
policies and criteria for the selection of agents with whom the 1781
board may contract for the administration of the funds, the board 1782
shall comply with sections 742.114 and 742.116 of the Revised Code 1783
and shall also give equal consideration to minority owned and 1784
controlled firms, firms owned and controlled by women, and joint 1785
ventures involving minority owned and controlled firms and firms 1786
owned and controlled by women that otherwise meet the policies and 1787
criteria established by the board. Amendments and additions to the 1788
policies and criteria shall be adopted in regular meeting. The 1789
board shall publish its policies, objectives, and criteria under 1790
this provision no less often than annually and shall make copies 1791
available to interested parties. 1792

When reporting on the performance of investments, the board 1793
shall comply with the performance presentation standards 1794

established by the association for investment management and 1795
research. 1796

(C) All bonds, notes, certificates, stocks, or other 1797
evidences of investments purchased by the board shall be delivered 1798
to the treasurer of state, who is hereby designated as custodian 1799
thereof, or to the treasurer of state's authorized agent, and the 1800
treasurer of state or the agent shall collect the principal, 1801
interest, dividends, and distributions that become due and payable 1802
and place them when so collected into the custodial funds. 1803
Evidences of title of the investments may be deposited by the 1804
treasurer of state for safekeeping with an authorized agent, 1805
selected by the treasurer of state, ~~who~~ that is a ~~qualified~~ 1806
~~trustee under section 135.18~~ trust company that meets the 1807
requirements of Chapter 1111. of the Revised Code. The treasurer 1808
of state shall pay for the investments purchased by the board on 1809
receipt of written or electronic instructions from the board or 1810
the board's designated agent authorizing the purchase and pending 1811
receipt of the evidence of title of the investment by the 1812
treasurer of state or the treasurer of state's authorized agent. 1813
The board may sell investments held by the board, and the 1814
treasurer of state or the treasurer of state's authorized agent 1815
shall accept payment from the purchaser and deliver evidence of 1816
title of the investment to the purchaser on receipt of written or 1817
electronic instructions from the board or the board's designated 1818
agent authorizing the sale, and pending receipt of the moneys for 1819
the investments. The amount received shall be placed into the 1820
custodial funds. The board and the treasurer of state may enter 1821
into agreements to establish procedures for the purchase and sale 1822
of investments under this division and the custody of the 1823
investments. 1824

(D) All of the board's business shall be transacted, all its 1825
funds shall be invested, all warrants for money drawn and payments 1826

shall be made, and all of its cash, securities, and other property 1827
shall be held, in the name of the board or its nominee, provided 1828
that nominees are authorized by board resolution for the purpose 1829
of facilitating the ownership and transfer of investments. 1830

(E) No purchase or sale of any investment shall be made under 1831
this section except as authorized by the board of trustees of the 1832
Ohio police and fire pension fund. 1833

(F) Any statement of financial position distributed by the 1834
board shall include the fair value, as of the statement date, of 1835
all investments held by the board under this section. 1836

Sec. 742.114. (A) As used in this section and sections 1837
742.115 to 742.119 of the Revised Code: 1838

(1) "Agent" means a licensed dealer, as defined in section 1839
1707.01 of the Revised Code. 1840

(2) "Approved agent" means an agent designated as such by the 1841
board of trustees of the police and fire pension fund. 1842

(3) "Minority business enterprise" has the same meaning as in 1843
section 122.71 of the Revised Code. 1844

(4) "Principals" means persons primarily responsible for 1845
directing the operations of the agent. 1846

(B) The board of trustees of the Ohio police and fire pension 1847
fund shall designate approved agents for the purposes of this 1848
section and annually compile and make available on request a list 1849
of approved agents. 1850

(C) The board shall designate an agent as an approved agent 1851
if the agent meets all of the following requirements: 1852

(1) Submits to the board all information required by the 1853
board concerning the agent's history, personnel with substantial 1854
responsibilities regarding equity investments, support personnel, 1855

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| <u>clients, fees, and any related matter of interest to the board;</u> | 1856 |
| <u>(2) Has practiced, or each of its principals has practiced,</u> | 1857 |
| <u>as an agent in this state for at least three years prior to</u> | 1858 |
| <u>designation;</u> | 1859 |
| <u>(3) Is subject to taxation by this state;</u> | 1860 |
| <u>(4) Employs at least five residents of this state;</u> | 1861 |
| <u>(5) Has demonstrated professional and administrative ability;</u> | 1862 |
| <u>(6) Has no outstanding legal judgments or past judgments that</u> | 1863 |
| <u>reflect negatively on the agent or on the police and fire pension</u> | 1864 |
| <u>fund.</u> | 1865 |
| <u>(D) In any year, not less than seventy per cent of the equity</u> | 1866 |
| <u>and fixed-income trades executed on behalf of the board shall be</u> | 1867 |
| <u>executed by approved agents. The board shall have as a goal that</u> | 1868 |
| <u>not less than an additional ten per cent of the equity and</u> | 1869 |
| <u>fixed-income trades executed on behalf of the board be executed by</u> | 1870 |
| <u>approved agents that are minority business enterprises.</u> | 1871 |
| <u>The percentage of equity trades executed on behalf of the</u> | 1872 |
| <u>board shall be measured by the dollar value of commissions paid.</u> | 1873 |
| <u>The percentage of fixed-income trades executed on behalf of the</u> | 1874 |
| <u>board shall be measured by the face value of the fixed-income</u> | 1875 |
| <u>securities traded.</u> | 1876 |
| <u>Sec. 742.115. (A) The Ohio police and fire pension fund shall</u> | 1877 |
| <u>disclose the following to the division of securities in the</u> | 1878 |
| <u>department of commerce and to the Ohio ethics commission:</u> | 1879 |
| <u>(1) Any amount of money received by the fund from an agent</u> | 1880 |
| <u>and any amount of money spent by an agent for an expense of the</u> | 1881 |
| <u>fund;</u> | 1882 |
| <u>(2) The name of any employee of the fund with authority over</u> | 1883 |
| <u>the fund's investments or any board member of the fund who deals</u> | 1884 |

with an agent regarding amounts described in division (A)(1) of 1885
this section. 1886

(B) The disclosures required by this section shall be made 1887
annually in a report submitted by a date jointly prescribed by the 1888
division of securities and the Ohio ethics commission. 1889

Sec. 742.116. (A) The board of trustees of the Ohio police 1890
and fire pension fund may contract with an investment manager to 1891
develop the fund's investment strategies and to manage assets of 1892
the fund on the board's behalf if the investment manager meets all 1893
of the following requirements: 1894

(1) Is one of the following: 1895

(a) A bank as defined in section 1101.01 of the Revised Code; 1896

(b) An insurance company as defined in 15 U.S.C. 80a-2; 1897

(c) An investment company as defined in section 1111.01 of 1898
the Revised Code; 1899

(d) An investment adviser as defined in 15 U.S.C. 80b-2. 1900

(2) Provides to the board the investment manager's investment 1901
strategies and objectives and evidence satisfactory to the board 1902
that the investment manager has successfully employed the 1903
investment strategies and objectives; 1904

(3) Demonstrates to the board's satisfaction that the 1905
investment manager has done both of the following for a period of 1906
time the board specifies: 1907

(a) Achieved performance measures calculated on a 1908
time-weighted basis and based on a composite of fully 1909
discretionary accounts of similar investment style; 1910

(b) Had net and gross fees that are at least comparable to 1911
other investment managers with similar investment strategies and 1912
objectives. 1913

(4) Provides to the board a performance evaluation report of the investment manager that is prepared by an objective third party not affiliated with the investment manager and illustrates the investment manager's risk and return profile relative to other investment managers with similar investment strategies and objectives; 1914
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(5) Provides to the board all information required by the board concerning the investment manager's history, personnel with substantial responsibilities regarding investment strategies and objectives, support personnel, clients, fees, and any related matter the board specifies; 1920
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(6) Does not have any judgments against the investment manager that may, in the board's opinion, reflect negatively on the investment manager or fund. 1925
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(B) If the board seeks to contract with an investment manager to develop the fund's investment strategies and to manage assets of the fund on the board's behalf, the board shall do all of the following: 1928
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(1) Provide for investment managers that meet both of the following requirements to manage not less than fifty per cent of the assets of the fund that are not managed by employees of the board: 1932
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(a) Have at least one contract that the board determines is significant with another state- or federal-level government entity; 1936
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(b) Meet any of the following requirements: 1939

(i) Have its corporate headquarters in this state; 1940

(ii) Have at least three operating locations in this state and employ at least fifteen individuals at each location; 1941
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(iii) Employ at least five hundred individuals in this state. 1943

(2) Have as a goal that investment managers that are minority business enterprises manage not less than an additional ten per cent of the assets of the fund; 1944
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(3) Have as a goal that one or more emerging investment managers manage not less than an additional three per cent of the assets of the retirement system in accordance with a policy the board may adopt. If the board adopts a policy, it shall do both of the following: 1947
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(a) Establish criteria that an investment manager must meet to be designated by the board as an emerging investment manager. The criteria shall require that an investment manager meet at least both of the following requirements to be designated as an emerging investment manager: 1952
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(i) At the time of application for designation as an emerging investment manager, manage not more than five hundred million dollars worth of investments; 1957
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(ii) Have at least one contract that the board determines is significant with another state- or local-level government entity. 1960
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(b) Provide for an emerging investment manager that meets all of the following requirements to receive preference over other emerging investment managers in obtaining a contract with the board to manage assets of the fund: 1962
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(i) Has its corporate headquarters in this state; 1966

(ii) Employs at least five individuals in this state; 1967

(iii) Has other investment operations within this state that utilize agents and the board determines are significant. 1968
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Sec. 742.117. If the board of trustees of the Ohio police and fire pension fund contracts with an investment manager to develop the fund's investment strategies and to manage assets of the fund 1970
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on the board's behalf, the investment manager shall do all of the 1973
following: 1974

(A) Comply with the board's investment policies and 1975
objectives for the operation of the board's investment program 1976
adopted under section 742.11 of the Revised Code and all laws 1977
governing the board's investments when developing the fund's 1978
investment strategies and managing the assets of the fund on the 1979
board's behalf; 1980

(B) Promptly inform the board in writing of any material 1981
change to the investment manager's organization or professional 1982
staff; 1983

(C) At the board's direction, vote by proxy for the board in 1984
a manner consistent with the long-term interests of the fund and 1985
the board's investment policies and objectives; 1986

(D) Keep detailed records of any votes by proxy made under 1987
division (C) of this section; 1988

(E) On at least a quarterly basis, report to the board on the 1989
status of the board's investments that the investment manager 1990
manages, including the gains and losses of the investments for the 1991
reporting period; 1992

(F) Meet with officers and employees of the fund at least 1993
twice a year to report on the economic outlook of the board's 1994
investments that the investment manager manages and the investment 1995
manager's compliance with the board's investment policies and 1996
objectives. 1997

Sec. 742.118. If the board of trustees of the Ohio police and 1998
fire pension fund contracts with an investment manager to develop 1999
the fund's investment strategies and to manage the assets of the 2000
fund on the board's behalf, the board, to the extent necessary to 2001

comply with division (D) of section 742.114 of the Revised Code, 2002
shall supervise and control the equity and fixed-income trades 2003
that the investment manager causes to be executed on the board's 2004
behalf. 2005

Sec. 742.119. (A) Each quarter, the board of trustees of the 2006
Ohio police and fire pension fund shall submit a report containing 2007
all of the following information to the Ohio retirement study 2008
council: 2009

(1) The name of each agent designated as an approved agent 2010
under division (C) of section 742.114 of the Revised Code; 2011

(2) The per cent of the equity and fixed-income trades that 2012
approved agents execute on behalf of the board of trustees 2013
pursuant to division (D) of section 742.114 of the Revised Code; 2014

(3) The per cent of the equity and fixed-income trades that 2015
approved agents that are minority business enterprises execute on 2016
behalf of the board of trustees pursuant to division (D) of 2017
section 742.114 of the Revised Code; 2018

(4) The name of each investment manager with which the board 2019
of trustees contracts under section 742.116 of the Revised Code; 2020

(5) The per cent of the assets of the Ohio police and fire 2021
pension fund that investment managers manage pursuant to division 2022
(B)(1) of section 742.116 of the Revised Code and the status of 2023
those assets; 2024

(6) The per cent of the assets of the fund that investment 2025
managers that are a minority business enterprise manage pursuant 2026
to division (B)(2) of section 742.116 of the Revised Code and the 2027
status of those assets; 2028

(7) The per cent of the assets of the fund that emerging 2029
investment managers manage pursuant to division (B)(3) of section 2030

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| <u>742.116 of the Revised Code and the status of those assets;</u> | 2031 |
| <u>(8) A summary of investment managers' compliance with section 742.117 of the Revised Code.</u> | 2032 |
| <u>(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code.</u> | 2033 |
| <u>(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code.</u> | 2034 |
| <u>(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code.</u> | 2035 |
| <u>(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code.</u> | 2036 |
| <u>(B) The public employees retirement board shall prepare the report required by division (A) of this section in accordance with the uniform format the Ohio retirement study council establishes under section 171.04 of the Revised Code.</u> | 2037 |
| <u>Sec. 742.99. Whoever violates section 742.043 of the Revised Code shall be fined not more than one hundred dollars for each day of the violation.</u> | 2038 |
| <u>Sec. 742.99. Whoever violates section 742.043 of the Revised Code shall be fined not more than one hundred dollars for each day of the violation.</u> | 2039 |
| <u>Sec. 742.99. Whoever violates section 742.043 of the Revised Code shall be fined not more than one hundred dollars for each day of the violation.</u> | 2040 |
| <u>Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code.</u> | 2041 |
| <u>Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code.</u> | 2042 |
| <u>Fines imposed by the Ohio elections commission under this section shall be paid into the Ohio elections commission fund created under section 3513.10 of the Revised Code.</u> | 2043 |
| <u>Sec. 1707.49. (A) As used in this section, "state retirement system" means the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, and state highway patrol retirement system.</u> | 2044 |
| <u>Sec. 1707.49. (A) As used in this section, "state retirement system" means the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, and state highway patrol retirement system.</u> | 2045 |
| <u>Sec. 1707.49. (A) As used in this section, "state retirement system" means the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, and state highway patrol retirement system.</u> | 2046 |
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| <u>Sec. 1707.49. (A) As used in this section, "state retirement system" means the public employees retirement system, Ohio police and fire pension fund, school employees retirement system, state teachers retirement system, and state highway patrol retirement system.</u> | 2048 |
| <u>(B) Each dealer who receives a commission from a state retirement system shall disclose the following to the division of securities within the department of commerce and to the Ohio ethics commission:</u> | 2049 |
| <u>(B) Each dealer who receives a commission from a state retirement system shall disclose the following to the division of securities within the department of commerce and to the Ohio ethics commission:</u> | 2050 |
| <u>(B) Each dealer who receives a commission from a state retirement system shall disclose the following to the division of securities within the department of commerce and to the Ohio ethics commission:</u> | 2051 |
| <u>(B) Each dealer who receives a commission from a state retirement system shall disclose the following to the division of securities within the department of commerce and to the Ohio ethics commission:</u> | 2052 |
| <u>(1) Any amount of money paid by the dealer to the state retirement system and any amount of money spent by the dealer for any expense of that system;</u> | 2053 |
| <u>(1) Any amount of money paid by the dealer to the state retirement system and any amount of money spent by the dealer for any expense of that system;</u> | 2054 |
| <u>(1) Any amount of money paid by the dealer to the state retirement system and any amount of money spent by the dealer for any expense of that system;</u> | 2055 |
| <u>(2) The name of the retirement system employee with authority over the investment of retirement system funds or retirement system board member who deals with the dealer regarding amounts described in division (B)(1) of this section.</u> | 2056 |
| <u>(2) The name of the retirement system employee with authority over the investment of retirement system funds or retirement system board member who deals with the dealer regarding amounts described in division (B)(1) of this section.</u> | 2057 |
| <u>(2) The name of the retirement system employee with authority over the investment of retirement system funds or retirement system board member who deals with the dealer regarding amounts described in division (B)(1) of this section.</u> | 2058 |
| <u>(2) The name of the retirement system employee with authority over the investment of retirement system funds or retirement system board member who deals with the dealer regarding amounts described in division (B)(1) of this section.</u> | 2059 |

(C) The disclosures required by division (B) of this section shall be made semiannually in a report to the division of securities and the Ohio ethics commission. The report shall be made not later than the thirtieth day of June and the thirty-first day of December of each year.

Sec. 3105.80. As used in this section and sections 3105.81 to 3105.90 of the Revised Code:

(A) "Alternate payee" means a party in an action for divorce, legal separation, annulment, or dissolution of marriage who is to receive one or more payments from a benefit or lump sum payment under an order issued under section 3105.171 or 3105.65 of the Revised Code that is in compliance with sections 3105.81 to 3105.90 of the Revised Code.

(B) "Benefit" means a periodic payment under a pension, annuity, allowance, or other type of benefit, other than a survivor benefit, that has been or may be granted to a participant under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or any payment that is to be made under a contract a participant has entered into for the purposes of an alternative retirement plan. "Benefit" also includes all amounts received or to be received under a plan of payment elected under division (B)(3) of section 145.46, division (B) of section 3307.60, or division (B)(3) of section 3309.46 of the Revised Code.

(C) "Lump sum payment" means a payment of accumulated contributions standing to a participant's credit under sections 742.01 to 742.61 or Chapter 145., 3307., 3309., or 5505. of the Revised Code or pursuant to a contract a participant has entered into for the purposes of an alternative retirement plan and any other payment made or that may be made to a participant under those sections or chapters on withdrawal of a participant's

contributions. "Lump sum payment" includes a lump sum payment 2091
under section 145.384, 742.26, 3307.352, or 3309.344 of the 2092
Revised Code. 2093

(D) "Participant" means a member, contributor, retirant, or 2094
disability benefit recipient who is or will be entitled to a 2095
benefit or lump sum payment under sections 742.01 to 742.61 or 2096
Chapter 145., 3307., 3309., or 5505. of the Revised Code or an 2097
~~academic or administrative~~ employee who elects to participate in 2098
an alternative retirement plan under Chapter 3305. of the Revised 2099
Code. 2100

(E) "Personal history record" has the same meaning as in 2101
~~section~~ sections 145.27, 742.41, 3305.20, 3307.20, 3309.22, and 2102
5505.04 of the Revised Code. 2103

(F) "Public retirement program" means the public employees 2104
retirement system, Ohio police and fire pension fund, school 2105
employees retirement system, state teachers retirement system, 2106
state highway patrol retirement system, or an entity providing an 2107
alternative retirement plan under Chapter 3305. of the Revised 2108
Code. 2109

Sec. 3305.01. As used in this chapter: 2110

(A) "Public institution of higher education" means a state 2111
university as defined in section 3345.011 of the Revised Code, the 2112
medical college of Ohio at Toledo, the northeastern Ohio 2113
universities college of medicine, or a university branch, 2114
technical college, state community college, community college, or 2115
municipal university established or operating under Chapter 3345., 2116
3349., 3354., 3355., 3357., or 3358. of the Revised Code. 2117

(B) "State retirement system" means the public employees 2118
retirement system created under Chapter 145. of the Revised Code, 2119
the state teachers retirement system created under Chapter 3307. 2120

of the Revised Code, or the school employees retirement system 2121
created under Chapter 3309. of the Revised Code. 2122

(C) "~~Academic or administrative~~ Eligible employee" means any 2123
person employed as a full-time employee of a public institution of 2124
higher education not receiving any benefit, allowance, or other 2125
payment granted on the employee's account from a state retirement 2126
system ~~who meets one of the following requirements:~~ 2127

~~(1) The employee is a member of the faculty of a public 2128
institution of higher education. 2129~~

~~(2) The employee is a member of the administrative staff of a 2130
public institution of higher education serving in a position in 2131
the unclassified civil service pursuant to section 124.11 of the 2132
Revised Code. 2133~~

~~(3) If section 124.11 of the Revised Code does not apply to 2134
the public institution of higher education, the employee is a 2135
member of the administrative staff of a public institution of 2136
higher education serving in a position comparable to a position in 2137
the unclassified civil service. 2138~~

In all cases of doubt, the board of trustees of the public 2139
institution of higher education shall determine whether any person 2140
is an ~~academic or administrative~~ eligible employee for purposes of 2141
this chapter, and the board's decision shall be final. 2142

(D) "Electing employee" means any ~~academic or administrative~~ 2143
eligible employee who elects, pursuant to section 3305.05 of the 2144
Revised Code, to participate in an alternative retirement plan 2145
provided pursuant to this chapter or an eligible employee who is 2146
required to participate in an alternative retirement plan pursuant 2147
to division ~~(E)~~(F) of section 3305.05 of the Revised Code. 2148

(E) "Compensation," for purposes of an electing employee, has 2149
the same meaning as the applicable one of the following: 2150

(1) If the electing employee would be subject to Chapter 145. 2151
of the Revised Code had the employee not made an election pursuant 2152
to section 3305.05 of the Revised Code, "earnable salary" as 2153
defined in division (R) of section 145.01 of the Revised Code; 2154

(2) If the electing employee would be subject to Chapter 2155
3307. of the Revised Code had the employee not made an election 2156
pursuant to section 3305.05 of the Revised Code, "compensation" as 2157
defined in division (L) of section 3307.01 of the Revised Code; 2158

(3) If the electing employee would be subject to Chapter 2159
3309. of the Revised Code had the employee not made an election 2160
pursuant to section 3305.05 of the Revised Code, "compensation" as 2161
defined in division (V) of section 3309.01 of the Revised Code. 2162

(F) "Provider" means an entity designated under section 2163
3305.03 of the Revised Code as a provider of investment options 2164
for an alternative retirement plan. 2165

Sec. 3305.02. An alternative retirement program is hereby 2166
established in accordance with this chapter for the purpose of 2167
providing to ~~academic or administrative~~ eligible employees the 2168
opportunity of participating in an alternative retirement plan as 2169
an alternative to participating in a state retirement system. The 2170
employer is the sponsor of each alternative retirement plan 2171
offered under this chapter. 2172

Each alternative retirement plan offered under this program 2173
~~to academic or administrative employees electing to participate~~ 2174
shall be a defined contribution plan qualified under section 401 2175
(a) of the Internal Revenue Code that provides retirement and 2176
death benefits through investment options. The options shall be 2177
offered to electing employees pursuant to group or individual 2178
contracts, and certificates issued under group contracts, and may 2179
include life insurance, annuities, variable annuities, regulated 2180

investment trusts, pooled investment funds, or other forms of 2181
investment, at the option of each electing employee. 2182

Notwithstanding this chapter, any retirement plan established 2183
by a public institution of higher education prior to March 31, 2184
1997, as an alternative to participating in any state retirement 2185
system may continue in effect and be modified without regard to 2186
this chapter for all employees at the public institution eligible 2187
to participate in the plan. 2188

Sec. 3305.03. (A) The department of insurance shall designate 2189
three or more entities to provide investment options under 2190
alternative retirement plans established by public institutions of 2191
higher education in accordance with this chapter. An entity shall 2192
be designated a provider under this section if the entity meets 2193
both of the following requirements: 2194

(1) It is authorized to conduct business in this state with 2195
regard to the investment options to be offered under an 2196
alternative retirement plan; 2197

(2) It provides the same or similar investment options to be 2198
offered under alternative retirement plans, as group or individual 2199
contracts, or a combination thereof, in at least ten other states. 2200

(B) In designating a provider under this section, the 2201
department of insurance shall consider all of the following: 2202

(1) The experience of the provider in providing investment 2203
options under alternative retirement programs in other states; 2204

(2) The potential effectiveness of the provider in recruiting 2205
~~academic or administrative~~ eligible employees to enter into 2206
contracts and in retaining those contracts; 2207

(3) The nature and extent of the rights and benefits to be 2208
provided under the investment options; 2209

(4) The relationship between the rights and benefits under 2210

the investment options and the amount of the contributions made 2211
under those options; 2212

(5) The suitability of the rights and benefits under the 2213
investment options to the needs and interests of ~~academic or~~ 2214
~~administrative~~ eligible employees; 2215

(6) The capability of the provider to provide the rights and 2216
benefits under the investment options; 2217

(7) Any other matters it considers relevant. 2218

(C) The department of insurance shall periodically review 2219
each provider designated under division (A) of this section and 2220
the investment options being offered to ensure that the 2221
requirements and purposes of this chapter are being met. If the 2222
department finds that the provider is not in compliance with any 2223
requirement of this chapter or the provider is not satisfactorily 2224
meeting the purposes of this chapter, the department may rescind 2225
the provider's designation. 2226

(D) Notwithstanding sections 125.01 to 125.11 of the Revised 2227
Code, designation of a provider or the execution of any contract 2228
under this chapter is not subject to competitive bidding under 2229
those sections. 2230

Sec. 3305.05. (A) As used in this section, "academic or 2231
administrative employee" means any full-time employee not 2232
receiving any benefit, allowance, or other payment granted on the 2233
employee's account from a state retirement system who, before the 2234
effective date of this amendment, met one of the following 2235
requirements: 2236

(1) The employee was a member of the faculty of a public 2237
institution of higher education. 2238

(2) The employee was a member of the administrative staff of 2239
a public institution of higher education serving in a position in 2240

the unclassified civil service pursuant to section 124.11 of the 2241
Revised Code. 2242

(3) If section 124.11 of the Revised Code did not apply to 2243
the public institution of higher education, the employee was a 2244
member of the administrative staff of a public institution of 2245
higher education serving in a position comparable to a position in 2246
the unclassified civil service. 2247

In all cases of doubt, the board of trustees of the public 2248
institution of higher education shall determine whether any person 2249
is an academic or administrative employee for purposes of this 2250
chapter, and the board's decision shall be final. 2251

(B) A person whose employment as an academic or 2252
administrative employee of a public institution of higher 2253
education ~~commences~~ commenced after the initial date on which the 2254
board of trustees of the public institution ~~adopts~~ adopted an 2255
alternative retirement plan but before the effective date of this 2256
amendment may, not later than one hundred twenty days after the 2257
starting date of employment, make an election to participate in an 2258
alternative retirement plan available at the public institution. 2259
If no election to participate in an alternative retirement plan is 2260
made by the end of one hundred twenty days after the person's 2261
starting date of employment, the person shall be deemed to have 2262
elected participation in the state retirement system that applies 2263
to the person's employment. 2264

An election made under this division or division ~~(B)~~(C) of 2265
this section shall be irrevocable while the electing employee is 2266
employed by that public institution. 2267

A person who makes an election to participate in an 2268
alternative retirement plan shall be forever barred from claiming 2269
or purchasing service credit under any state retirement system for 2270
the period of that person's employment during which the election 2271

is in effect. If a person terminates employment at one public 2272
institution of higher education and subsequently is employed by 2273
another public institution of higher education in a position for 2274
which an alternative retirement plan is available under this 2275
chapter, the person may make another election under this division. 2276
Each public institution of higher education employing a person 2277
eligible to make an election under this division shall notify, 2278
within ten days of the person's employment, the state retirement 2279
system that applies to that person's employment in the manner 2280
specified by that state retirement system, which notice shall 2281
include the new employee's name and address. 2282

~~(B)~~(C)(1) Not later than one hundred twenty days after the 2283
date on which the board of trustees of a public institution of 2284
higher education adopts an alternative retirement plan for that 2285
public institution, each eligible academic or administrative 2286
employee of the public institution may make an election to 2287
participate in an alternative retirement plan available at the 2288
public institution. If a person to whom this division applies 2289
fails to make an election, the person shall be deemed to have 2290
elected continued participation in the state retirement system in 2291
which the person is a member. 2292

(2)(a) A member of the public employees retirement system or 2293
school employees retirement system who is an academic or 2294
administrative employee of the public institution is eligible to 2295
make an election if, on April 1, 1998, the member had less than 2296
five years of service credit in the retirement system in which the 2297
member is making contributions and the public institution of 2298
higher education at which the member is employed adopted an 2299
alternative retirement plan after December 8, 1998, but before 2300
April 1, 1999. 2301

(b) A member of the state teachers retirement system who is 2302
an academic or administrative employee of a public institution 2303

that establishes an alternative retirement plan is eligible to 2304
make an election if the member has less than five years of service 2305
credit in the state teachers retirement system on the thirtieth 2306
day of June immediately preceding the date the plan is adopted. 2307

~~(C) Each academic or administrative employee shall make an~~ 2308
(D) An election under division ~~(A)(B)~~ or ~~(B)(C)~~ of this section 2309
shall be in writing ~~and submit the election submitted~~ to the 2310
designated officer of the employee's employing public institution 2311
of higher education. Not later than ten days after the election 2312
becomes irrevocable, the officer shall file a certified copy of 2313
the election with the state retirement system to which, apart from 2314
this election, the employee's employment would be subject. 2315

~~(D)(E)~~(1) Each election made under division ~~(A)(B)~~ of this 2316
section shall be effective as of the electing employee's starting 2317
date of employment. 2318

(2) In the case of a member of the public employees 2319
retirement system or school employees retirement system, an 2320
election made under division ~~(B)(C)~~ of this section shall be 2321
effective as of April 1, 1998. In the case of a member of the 2322
state teachers retirement system, an election shall be effective 2323
as of the date described in division ~~(B)(C)~~(2)(b) of this section. 2324

~~(E)(F)~~ If an individual makes an election under division 2325
~~(A)(B)~~ or ~~(B)(C)~~ of this section, the election shall apply to the 2326
individual's employment in all positions at a public institution 2327
of higher education, unless the individual terminates employment 2328
at the public institution and does not return to employment in any 2329
position at that public institution prior to one year after the 2330
date of termination. 2331

If an individual is eligible to make an election under 2332
division ~~(A)(B)~~ or ~~(B)(C)~~ of this section for employment at a 2333
public institution and does not make the election, the individual 2334

shall not be permitted to make an election for employment in any 2335
other position at the public institution while employed at that 2336
public institution, unless the individual terminates employment at 2337
the public institution and does not return to employment in any 2338
position at the public institution prior to one year after the 2339
date of termination. 2340

~~(F) The board of trustees of a public institution of higher 2341
education shall permit an electing employee to do all of the 2342
following: 2343~~

~~(1) Select, from among the providers that have entered into a 2344
contract with the public institution of higher education under 2345
section 3305.04 of the Revised Code, the provider of an investment 2346
option for that employee; 2347~~

~~(2) Except as permitted under division (F)(3) of this 2348
section, contract with only one provider in any plan year; 2349~~

~~(3) Change the provider selected under division (F)(1) of 2350
this section at the following times: 2351~~

~~(a) Once during the first payroll period in any plan year; 2352~~

~~(b) Any time the provider that the employee selected ceases 2353
to be designated under division (C) of section 3305.03 of the 2354
Revised Code. 2355~~

~~(G) If under division (F)(3) of this section, an employee 2356
changes providers, the provider shall transfer the employee's 2357
account balance to the new provider. 2358~~

Sec. 3305.051. (A)(1) Not later than one hundred eighty days 2359
after the effective date of this section, each person who, on the 2360
effective date of this section, is an eligible employee of a 2361
public institution of higher education and as of that date has 2362
less than five years of service credit in the public employees 2363
retirement system, state teachers retirement system, or school 2364

employees retirement system may make an election to participate in 2365
an alternative retirement plan available at the employing public 2366
institution, unless the employee is already participating in an 2367
alternative retirement plan at that institution or the employee 2368
has elected to participate in the PERS defined contribution plan 2369
as defined in section 145.01 of the Revised Code. 2370

(2) An eligible employee whose employment with a public 2371
institution of higher education commences on or after the 2372
effective date of this section may, not later than one hundred 2373
eighty days after the starting date of the employment, make an 2374
election to participate in an alternative retirement plan 2375
available at the employing public institution. 2376

(3) An eligible employee who, on or after the effective date 2377
of this section, terminates employment at one public institution 2378
of higher education and subsequently is employed by another public 2379
institution of higher education in a position for which an 2380
alternative retirement plan is available may, not later than one 2381
hundred eighty days after the starting date of the employment, 2382
elect to participate in an alternative retirement plan available 2383
at that public institution. 2384

(B)(1) An eligible employee who makes an election under 2385
division (A) of this section shall submit the election in writing 2386
to the designated officer of the employee's employing public 2387
institution of higher education. Not later than ten days after the 2388
election takes effect, the officer shall file a certified copy of 2389
the election with the state retirement system to which, apart from 2390
the election, the employee's employment would be subject. 2391

Each public institution of higher education that employs a 2392
person eligible to make an election under division (A) of this 2393
section shall notify in writing, within ten days of the person's 2394
employment, the state retirement system that applies to that 2395

| | |
|---|------|
| <u>employment in the manner specified by that state retirement</u> | 2396 |
| <u>system. The notice shall include the person's name and address.</u> | 2397 |
| <u>(2) Elections made under division (A) of this section take</u> | 2398 |
| <u>effect as follows:</u> | 2399 |
| <u>(a) An election under division (A)(1) of this section is</u> | 2400 |
| <u>effective as of the date on which the employee's election to</u> | 2401 |
| <u>participate in the alternative retirement plan becomes</u> | 2402 |
| <u>irrevocable.</u> | 2403 |
| <u>(b) An election under division (A)(2) or (3) of this section</u> | 2404 |
| <u>is effective as of the electing employee's starting date of</u> | 2405 |
| <u>employment.</u> | 2406 |
| <u>(3) An eligible employee's election under division (A) of</u> | 2407 |
| <u>this section becomes irrevocable beginning on the day that the</u> | 2408 |
| <u>one-hundred-eighty day election period elapses and continues to be</u> | 2409 |
| <u>irrevocable for the duration of the electing employee's employment</u> | 2410 |
| <u>by that public institution.</u> | 2411 |
| <u>(4) An eligible employee's election under division (A) of</u> | 2412 |
| <u>this section applies to the employee's employment in all positions</u> | 2413 |
| <u>at that public institution, unless the employee terminates</u> | 2414 |
| <u>employment at the public institution and does not return to</u> | 2415 |
| <u>employment in any position at that public institution prior to one</u> | 2416 |
| <u>year after the date of termination.</u> | 2417 |
| <u>(5) An eligible employee who makes an election under division</u> | 2418 |
| <u>(A) of this section is forever barred from claiming or purchasing</u> | 2419 |
| <u>service credit under any state retirement system for the period of</u> | 2420 |
| <u>employment while the election is in effect.</u> | 2421 |
| <u>(C)(1) An eligible employee who fails to make an election</u> | 2422 |
| <u>under division (A) of this section within the one-hundred-eighty</u> | 2423 |
| <u>day election period shall be deemed to have elected to participate</u> | 2424 |
| <u>in the state retirement system that applies to the employee's</u> | 2425 |

employment. 2426

(2) An eligible employee who fails to make an election under 2427
division (A) of this section shall not be permitted to make an 2428
election for employment in any other position at the public 2429
institution of higher education while employed at that public 2430
institution, unless the employee terminates employment at the 2431
public institution and does not return to employment in any 2432
position at the public institution prior to one year after the 2433
date of termination. 2434

Sec. ~~3305.051~~ 3305.052. The state retirement system that 2435
covers the position held by an employee of a public institution of 2436
higher education who makes an election under ~~division (A) of~~ 2437
section 3305.05 or under section 3305.051 of the Revised Code to 2438
participate in the public institution's alternative retirement 2439
plan shall, not later than thirty days after the date on which the 2440
certified copy of the employee's election is filed with the state 2441
retirement system under that section, pay to the provider of the 2442
investment option selected by the employee any employee and 2443
employer contributions made to the retirement system by or on 2444
behalf of that employee for the period beginning on the employee's 2445
starting day of employment and ending on the day before the day on 2446
which contributions commence under an alternative retirement plan, 2447
less the amount due the retirement system pursuant to division (D) 2448
of section 3305.06 of the Revised Code for that period. 2449

The state retirement system that covers the position held by 2450
an employee of a public institution of higher education who makes 2451
an election under ~~division (B) of~~ section 3305.05 of the Revised 2452
Code to participate in the public institution's alternative 2453
retirement plan shall, not later than thirty days after the date 2454
on which a certified copy of the employee's election is filed with 2455
the state retirement system under that section, pay to the 2456

provider of the investment option selected by the employee any 2457
employee and employer contributions made to the retirement system 2458
by or on behalf of that employee for any period commencing after 2459
the applicable date described in division (B)(2)(a) or (b) of 2460
section 3305.05 of the Revised Code and ending on the day before 2461
the day on which contributions commence under an alternative 2462
retirement plan, less the amount due the retirement system 2463
pursuant to division (D) of section 3305.06 of the Revised Code 2464
for that period. 2465

Sec. 3305.053. The board of trustees of a public institution 2466
of higher education shall permit an employee who makes an election 2467
under section 3305.05 or 3305.051 of the Revised Code to do all of 2468
the following: 2469

(A) Select, from among the providers that have entered into a 2470
contract with the public institution of higher education under 2471
section 3305.04 of the Revised Code, the provider of an investment 2472
option for that employee; 2473

(B) Except as permitted under division (C) of this section, 2474
contract with only one provider in any plan year; 2475

(C) Change the provider selected under division (A) of this 2476
section at the following times: 2477

(1) Once during the first payroll period in any plan year; 2478

(2) Any time the provider that the employee selected ceases 2479
to be designated under division (C) of section 3305.03 of the 2480
Revised Code. 2481

(D) If under division (C) of this section, an employee 2482
changes providers, the provider shall transfer to the new provider 2483
the employee's account balance either in whole or in part, as 2484
directed by the employee. 2485

Sec. 3305.06. (A) Each electing employee shall contribute an amount, which shall be a certain percentage of the employee's compensation, to the provider of the investment option the employee has selected. This percentage shall be the percentage the electing employee would have otherwise been required to contribute to the state retirement system that applies to the employee's position, except that the percentage shall not be less than three per cent. Employee contributions under this division may be treated as employer contributions in accordance with Internal Revenue Code 414(h).

(B) Each public institution of higher education employing an electing employee shall contribute ~~an amount, which shall be a certain~~ percentage of the employee's compensation, to the provider of the investment option the employee has selected. This percentage shall be ~~determined by the board of trustees of the public institution~~ equal to the percentage that the public institution of higher education would otherwise contribute on behalf of that employee to the state retirement system that would otherwise cover that employee's position, less the percentage contributed by the public institution of higher education under division (D) of this section.

(C)(1) In no event shall the amount contributed by the electing employee pursuant to division (A) of this section and on the electing employee's behalf pursuant to division (B) of this section be less than the amount necessary to qualify the plan as a state retirement system pursuant to Internal Revenue Code 3121(B)(7) and the regulations adopted thereunder.

(2) The full amount of the electing employee's contribution under division (A) of this section and the full amount of the employer's contribution made on behalf of that employee under division (B) of this section shall be paid to the appropriate

provider for application to the electing employee's investment 2517
option. 2518

(D) Each public institution of higher education employing an 2519
electing employee shall contribute on behalf of that employee to 2520
the state retirement system that otherwise applies to the electing 2521
employee's position a percentage of the electing employee's 2522
compensation to mitigate any negative financial impact of the 2523
alternative retirement program on the state retirement system. The 2524
percentage shall be six per cent, except that the percentage may 2525
be adjusted by the Ohio retirement study council to reflect the 2526
determinations made by actuarial studies conducted under section 2527
171.07 of the Revised Code. Any adjustment shall become effective 2528
on the first day of the second month following submission of the 2529
actuarial study to the board of regents under section 171.07 of 2530
the Revised Code. 2531

Contributions on behalf of an electing employee shall 2532
continue in accordance with this division until the occurrence of 2533
the following: 2534

(1) If the electing employee would be subject to Chapter 145. 2535
of the Revised Code had the employee not made an election pursuant 2536
to section 3305.05 of the Revised Code, until the unfunded 2537
actuarial accrued liability for all benefits, except health care 2538
benefits provided under section 145.325 or 145.58 of the Revised 2539
Code and benefit increases provided after March 31, 1997, is fully 2540
amortized, as determined by the annual actuarial valuation 2541
prepared under section 145.22 of the Revised Code; 2542

(2) If the electing employee would be subject to Chapter 2543
3307. of the Revised Code had the employee not made an election 2544
pursuant to section 3305.05 of the Revised Code, until the 2545
unfunded actuarial accrued liability for all benefits, except 2546
health care benefits provided under section 3307.39 or 3307.61 of 2547
the Revised Code and benefit increases provided after March 31, 2548

1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3307.51 of the Revised Code;

(3) If the electing employee would be subject to Chapter 3309. of the Revised Code had the employee not made an election pursuant to section 3305.05 of the Revised Code, until the unfunded actuarial accrued liability for all benefits, except health care benefits provided under section 3309.375 or 3309.69 of the Revised Code and benefit increases provided after March 31, 1997, is fully amortized, as determined by the annual actuarial valuation prepared under section 3309.21 of the Revised Code.

Sec. 3305.07. (A) Neither the state nor a public institution of higher education shall be a party to any contract purchased in whole or in part with contributions to an alternative retirement plan made under section 3305.06 of the Revised Code. No retirement, death, or other benefits shall be payable by the state or by any public institution of higher education under any alternative retirement plan elected pursuant to this chapter.

(B)(1) Except as provided under division (B)(2) of this section and sections 3305.08 and 3305.09 of the Revised Code, benefits shall be paid to an electing employee or the employee's beneficiaries in accordance with the alternative retirement plan adopted by the public institution of higher education at which the employee is employed.

(2) A benefit or payment shall not be paid under an investment option prior to the time an electing employee dies, terminates employment with the public institution of higher education, or, if provided under the alternative retirement plan or investment option, becomes disabled, except that the provider of the investment option shall transfer the employee's account balance to another provider as provided under ~~division (G) of~~ section ~~3305.05~~ 3305.053 of the Revised Code.

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| Sec. 3307.01. As used in this chapter: | 2580 |
| (A) "Employer" means the board of education, school district, governing authority of any community school established under Chapter 3314. of the Revised Code, college, university, institution, or other agency within the state by which a teacher is employed and paid. | 2581 2582 2583 2584 2585 |
| (B) "Teacher" means all of the following: | 2586 |
| (1) Any person paid from public funds and employed in the public schools of the state under any type of contract described in section 3319.08 of the Revised Code in a position for which the person is required to have a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code; | 2587 2588 2589 2590 2591 |
| (2) Any person employed as a teacher by a community school pursuant to Chapter 3314. of the Revised Code; | 2592 2593 |
| (3) Any person holding an internship certificate issued under section 3319.28 of the Revised Code and employed in a public school in this state; | 2594 2595 2596 |
| (4) Any person having a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and employed in a public school in this state in an educational position, as determined by the state board of education, under programs provided for by federal acts or regulations and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal acts or regulations; | 2597 2598 2599 2600 2601 2602 2603 2604 |
| (5) Any other teacher or faculty member employed in any school, college, university, institution, or other agency wholly controlled and managed, and supported in whole or in part, by the state or any political subdivision thereof, including Central state university, Cleveland state university, the university of | 2605 2606 2607 2608 2609 |

Toledo, and the medical college of Ohio at Toledo; 2610

(6) The educational employees of the department of education, 2611
as determined by the state superintendent of public instruction. 2612

In all cases of doubt, the state teachers retirement board 2613
shall determine whether any person is a teacher, and its decision 2614
shall be final. 2615

"Teacher" does not include any ~~academic or administrative~~ 2616
employee of a public institution of higher education, as defined 2617
in section 3305.01 of the Revised Code, who ~~participates~~ elects to 2618
participate in an alternative retirement plan established under 2619
Chapter 3305. of the Revised Code. 2620

(C) "Member" means any person included in the membership of 2621
the state teachers retirement system, which shall consist of all 2622
teachers and contributors as defined in divisions (B) and (D) of 2623
this section and all disability benefit recipients, as defined in 2624
section 3307.50 of the Revised Code. However, for purposes of this 2625
chapter, the following persons shall not be considered members: 2626

(1) A student, intern, or resident who is not a member while 2627
employed part-time by a school, college, or university at which 2628
the student, intern, or resident is regularly attending classes; 2629

(2) A person denied membership pursuant to section 3307.24 of 2630
the Revised Code; 2631

(3) An other system retirant, as defined in section 3307.35 2632
of the Revised Code, or a superannuate; 2633

(4) An individual employed in a program established pursuant 2634
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 2635
U.S.C.A. 1501. 2636

(D) "Contributor" means any person who has an account in the 2637
teachers' savings fund or defined contribution fund. 2638

(E) "Beneficiary" means any person eligible to receive, or in 2639

receipt of, a retirement allowance or other benefit provided by 2640
this chapter. 2641

(F) "Year" means the year beginning the first day of July and 2642
ending with the thirtieth day of June next following, except that 2643
for the purpose of determining final average salary under the plan 2644
described in sections 3307.50 to 3307.79 of the Revised Code, 2645
"year" may mean the contract year. 2646

(G) "Local district pension system" means any school teachers 2647
pension fund created in any school district of the state in 2648
accordance with the laws of the state prior to September 1, 1920. 2649

(H) "Employer contribution" means the amount paid by an 2650
employer, as determined by the employer rate, including the normal 2651
and deficiency rates, contributions, and funds wherever used in 2652
this chapter. 2653

(I) "Five years of service credit" means employment covered 2654
under this chapter and employment covered under a former 2655
retirement plan operated, recognized, or endorsed by a college, 2656
institute, university, or political subdivision of this state 2657
prior to coverage under this chapter. 2658

(J) "Actuary" means the actuarial consultant to the state 2659
teachers retirement board, who shall be either of the following: 2660

(1) A member of the American academy of actuaries; 2661

(2) A firm, partnership, or corporation of which at least one 2662
person is a member of the American academy of actuaries. 2663

(K) "Fiduciary" means a person who does any of the following: 2664

(1) Exercises any discretionary authority or control with 2665
respect to the management of the system, or with respect to the 2666
management or disposition of its assets; 2667

(2) Renders investment advice for a fee, direct or indirect, 2668
with respect to money or property of the system; 2669

(3) Has any discretionary authority or responsibility in the 2670
administration of the system. 2671

(L)(1) Except as provided in this division, "compensation" 2672
means all salary, wages, and other earnings paid to a teacher by 2673
reason of the teacher's employment, including compensation paid 2674
pursuant to a supplemental contract. The salary, wages, and other 2675
earnings shall be determined prior to determination of the amount 2676
required to be contributed to the teachers' savings fund or 2677
defined contribution fund under section 3307.26 of the Revised 2678
Code and without regard to whether any of the salary, wages, or 2679
other earnings are treated as deferred income for federal income 2680
tax purposes. 2681

(2) Compensation does not include any of the following: 2682

(a) Payments for accrued but unused sick leave or personal 2683
leave, including payments made under a plan established pursuant 2684
to section 124.39 of the Revised Code or any other plan 2685
established by the employer; 2686

(b) Payments made for accrued but unused vacation leave, 2687
including payments made pursuant to section 124.13 of the Revised 2688
Code or a plan established by the employer; 2689

(c) Payments made for vacation pay covering concurrent 2690
periods for which other salary, compensation, or benefits under 2691
this chapter are paid; 2692

(d) Amounts paid by the employer to provide life insurance, 2693
sickness, accident, endowment, health, medical, hospital, dental, 2694
or surgical coverage, or other insurance for the teacher or the 2695
teacher's family, or amounts paid by the employer to the teacher 2696
in lieu of providing the insurance; 2697

(e) Incidental benefits, including lodging, food, laundry, 2698
parking, or services furnished by the employer, use of the 2699

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| employer's property or equipment, and reimbursement for | 2700 |
| job-related expenses authorized by the employer, including moving | 2701 |
| and travel expenses and expenses related to professional | 2702 |
| development; | 2703 |
| (f) Payments made by the employer in exchange for a member's | 2704 |
| waiver of a right to receive any payment, amount, or benefit | 2705 |
| described in division (L)(2) of this section; | 2706 |
| (g) Payments by the employer for services not actually | 2707 |
| rendered; | 2708 |
| (h) Any amount paid by the employer as a retroactive increase | 2709 |
| in salary, wages, or other earnings, unless the increase is one of | 2710 |
| the following: | 2711 |
| (i) A retroactive increase paid to a member employed by a | 2712 |
| school district board of education in a position that requires a | 2713 |
| license designated for teaching and not designated for being an | 2714 |
| administrator issued under section 3319.22 of the Revised Code | 2715 |
| that is paid in accordance with uniform criteria applicable to all | 2716 |
| members employed by the board in positions requiring the licenses; | 2717 |
| (ii) A retroactive increase paid to a member employed by a | 2718 |
| school district board of education in a position that requires a | 2719 |
| license designated for being an administrator issued under section | 2720 |
| 3319.22 of the Revised Code that is paid in accordance with | 2721 |
| uniform criteria applicable to all members employed by the board | 2722 |
| in positions requiring the licenses; | 2723 |
| (iii) A retroactive increase paid to a member employed by a | 2724 |
| school district board of education as a superintendent that is | 2725 |
| also paid as described in division (L)(2)(h)(i) of this section; | 2726 |
| (iv) A retroactive increase paid to a member employed by an | 2727 |
| employer other than a school district board of education in | 2728 |
| accordance with uniform criteria applicable to all members | 2729 |
| employed by the employer. | 2730 |

(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(k) Anything of value received by the teacher that is based on or attributable to retirement or an agreement to retire.

(3) The retirement board shall determine by rule both of the following:

(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;

(b) Whether any form of earnings not enumerated in this division is to be included in compensation.

Decisions of the board made under this division shall be final.

(M) "Superannuate" means both of the following:

(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;

(2) A former teacher receiving a benefit from the system under a plan established under section 3307.81 of the Revised

Code, except that "superannuate" does not include a former teacher 2761
who is receiving a benefit based on disability under a plan 2762
established under section 3307.81 of the Revised Code. 2763

For purposes of sections 3307.35 and 3307.353 of the Revised 2764
Code, "superannuate" also means a former teacher receiving from 2765
the system a combined service retirement benefit paid in 2766
accordance with section 3307.57 of the Revised Code, regardless of 2767
which retirement system is paying the benefit. 2768

Sec. 3307.032. The state teachers retirement board shall 2769
appoint a committee to oversee the selection of an internal 2770
auditor. The committee shall select one or more persons for 2771
employment as an internal auditor. The board shall employ the 2772
person or persons selected by the committee. 2773

The committee shall consist of the following board members: 2774
one retirant member, one contributing member, and one ex officio 2775
member. The committee shall annually prepare and submit to the 2776
Ohio retirement study council a report of its actions during the 2777
preceding year. 2778

Sec. 3307.041. The state teachers retirement board shall 2780
adopt rules in accordance with section 111.15 of the Revised Code 2781
to establish an ethics policy to govern board members and 2782
employees in the performance of their official duties. 2783

Sec. 3307.042. The state teachers retirement board 2784
periodically shall provide training to members and employees of 2785
the board. The training shall include training regarding the 2786
requirements and prohibitions of Chapter 102. of the Revised Code 2787
and sections 2921.42 and 2921.43 of the Revised Code, the board's 2788
ethics policy, the board's policy regarding travel expenses of 2789
members and employees of the board, the board's policy regarding 2790
employee compensation and any bonuses, and any other training the 2791

board considers appropriate. 2792

Sec. 3307.05. The state teachers retirement board shall 2793
consist of the following nine members: 2794

(A) ~~The~~ At the option of the governor either the 2795
superintendent of public instruction or an individual, appointed 2796
by the governor, who has not less than five years of direct 2797
experience in the management, analysis, supervision, or investment 2798
of assets. The governor shall request that the organization 2799
representing school boards in this state submit to the governor 2800
the names and qualifications of three nominees. The governor shall 2801
appoint to the board one of the persons nominated by the 2802
organization; 2803

(B) The ~~auditor~~ treasurer of state; 2804

(C) ~~The attorney general;~~ 2805

~~(D)~~ Five members, known as ~~teacher~~ contributing members, who 2806
shall be members of the state teachers retirement system; 2807

~~(E)~~ ~~A~~ (D) Two former member members of the system, known as 2808
~~the~~ retired teacher ~~member~~ members, who shall be a ~~superannuate~~ 2809
~~and superannuates~~ who ~~is~~ are not otherwise employed in a ~~position~~ 2810
positions requiring ~~the retired teacher member~~ them to make 2811
contributions to the system. 2812

Sec. 3307.06. (A) Annually on the first Monday of May, one 2813
~~teacher~~ contributing member, as defined in division ~~(D)~~ (C) of 2814
section 3307.05 of the Revised Code, shall be elected by ballot to 2815
the state teachers retirement board, except that, beginning with 2816
the annual election for ~~teacher~~ contributing members in May, 1978, 2817
and in the annual election of each fourth year thereafter, two 2818
~~teacher~~ contributing members shall be elected to the board. 2819
Elected ~~teacher~~ contributing members shall begin their respective 2820

terms of office on the first day of September following their 2821
election and shall serve for a term of four years. 2822

(B) The retired teacher ~~member~~ members of the board, as 2823
defined in division ~~(E)~~(D) of section 3307.05 of the Revised Code, 2824
shall be elected for a term of four years, ~~except that the initial~~ 2825
~~retired teacher member shall be elected for a term of three years.~~ 2826
The retired teacher ~~member~~ members shall be elected to the board 2827
at the annual election for ~~teacher~~ contributing members of the 2828
board, as provided in division (A) of this section, in the year in 2829
which the term of the current retired teacher ~~member~~ members would 2830
expire. The retired teacher ~~member~~ members shall begin ~~his term~~ 2831
their respective terms of office on the first day of September 2832
following ~~his~~ their election. The initial election of the second 2833
retirant member shall be held at the first election that occurs 2834
later than ninety days after the effective date of this amendment. 2835
Subsequent elections shall be held each fourth year thereafter. 2836

No ~~teacher~~ contributing member of the board who retires while 2837
a member of the board shall be eligible to become a retired 2838
teacher member of the board for three years after the date of the 2839
member's retirement. 2840

(C) The term of office of a member appointed by the governor 2841
under division (A) of section 3307.05 of the Revised Code shall be 2842
four years, commencing on the first day of September following the 2843
appointment, except that if the governor makes the appointment 2844
after the first day of September, the term shall commence on the 2845
day of appointment. The member shall continue in office subsequent 2846
to the expiration date of the member's term until the member's 2847
successor takes office, or until a period of sixty days has 2848
elapsed, whichever comes first. 2849

A member appointed by the governor to fill a vacancy 2850
occurring prior to the expiration of the term for which the 2851

member's predecessor was appointed shall hold office for the 2852
remainder of that term. 2853

(D) If a vacancy occurs during the term of office of any 2854
elected member of the board, the remaining members of the board 2855
shall elect a successor member who shall hold office for the 2856
remainder of ~~his~~ the predecessor's term. The successor member 2857
shall qualify for board membership under the same division of 2858
section 3307.05 of the Revised Code as ~~his~~ the member's 2859
predecessor in office. 2860

~~(D)~~(E) If as a result of changed circumstances an elected 2861
member of the board would no longer qualify for board membership 2862
under that division of section 3307.05 of the Revised Code on the 2863
basis of which ~~he~~ the member was elected, or if such a member 2864
fails to attend the meetings of the board for four months or 2865
longer, without being excused, ~~his~~ the member's position on the 2866
board shall be considered vacant, and a successor member shall be 2867
~~chosen~~ elected, under division ~~(C)~~(D) of this section, for the 2868
remainder of ~~his~~ the unexpired term. 2869

Sec. 3307.061. The office of a member of the state teachers 2870
retirement board who is convicted of or pleads guilty to a felony 2871
in this state or any other jurisdiction shall be deemed vacant. 2872

Sec. 3307.07. All elections of members of the state teachers 2873
retirement board shall be held under the direction of the board. 2874
Any member of the state teachers retirement system, who has not 2875
been convicted of or pleaded guilty to a felony in this state or 2876
any other jurisdiction and has been nominated by a petition signed 2877
by five hundred or more members of the system, shall be eligible 2878
for election as a ~~teacher~~ contributing member of the board. The 2879
petition shall contain the signatures of twenty or more members of 2880
the system from each of at least ten counties wherein members of 2881

the system are employed. 2882

Any retired teacher who is a superannuate and a resident of 2883
Ohio is eligible for election as ~~the~~ a retired teacher member of 2884
the board, if such retired teacher has not been convicted of or 2885
pleaded guilty to a felony and has been nominated by a petition 2886
signed by five hundred or more retired teachers, who are also 2887
superannuates. The petition shall contain the signatures of twenty 2888
or more retired teachers from each of at least ten counties 2889
wherein superannuates under the system reside. 2890

The board shall place the name of any eligible candidate upon 2891
the appropriate ballot as a regular candidate. At any election, 2892
qualified voters, as defined in this section, may vote for the 2893
regular candidates or for other eligible candidates, in which case 2894
the names of such persons shall be written upon the appropriate 2895
ballots, except that members of the system and former members of 2896
the system who are superannuates shall vote respectively for 2897
~~teacher contributing~~ members and ~~the~~ retired teacher ~~member~~ 2898
members of the board. The candidate who receives the highest 2899
number of votes for any term of office shall be elected to the 2900
board. If, at any election, ~~teacher contributing~~ members or 2901
retired teacher members are to be elected for concurrent terms, 2902
eligible candidates shall be placed on the ballot, and the 2903
candidates who receive the highest numbers of votes shall be 2904
elected to the board. 2905

Elected members of the board shall be elected on the basis of 2906
the total number of ballots cast by qualified voters, who shall 2907
consist of members of the system and former members of the system 2908
who are superannuates. 2909

Sec. 3307.071. Notwithstanding sections 3307.06 and 3307.07 2910
of the Revised Code, the state teachers retirement board is not 2911

required to hold an election for a position on the board as a 2912
teacher contributing member or retired teacher member if only one 2913
candidate has been nominated for the position by petition in 2914
accordance with section 3307.07 of the Revised Code. The candidate 2915
shall take office as if elected. The term of office shall be four 2916
years beginning on the first day of September following the date 2917
the candidate was nominated. 2918

Sec. 3307.072. (A) As used in this section: 2919

(1) "Campaign committee" means a candidate or a combination 2920
of two or more persons authorized by a candidate to receive 2921
contributions and in-kind contributions and make expenditures on 2922
behalf of the candidate. 2923

(2) "Candidate" means an individual who has been nominated 2924
pursuant to section 3307.07 of the Revised Code for election to 2925
the state teachers retirement board. 2926

(3) "Contribution" means a loan, gift, deposit, forgiveness 2927
of indebtedness, donation, advance, payment, transfer of funds or 2928
transfer of anything of value including a transfer of funds from 2929
an inter vivos or testamentary trust or decedent's estate, and the 2930
payment by any person other than the person to whom the services 2931
are rendered for the personal services of another person, which 2932
contribution is made, received, or used for the purpose of getting 2933
an individual nominated pursuant to section 3307.07 of the Revised 2934
Code for election to the state teachers retirement board or 2935
influencing the results of an election to the board under that 2936
section. "Contribution" does not include: 2937

(a) Services provided without compensation by individuals 2938
volunteering a portion or all of their time on behalf of a person; 2939

(b) Ordinary home hospitality; 2940

(c) The personal expenses of a volunteer paid for by that 2941

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| <u>volunteer campaign worker.</u> | 2942 |
| <u>(4) "Election day" means the following, as appropriate to the situation:</u> | 2943 |
| | 2944 |
| <u>(a) The first Monday in May of a year for which section 3307.06 of the Revised Code specifies that an election for a member of the state teachers retirement board be held;</u> | 2945 |
| | 2946 |
| | 2947 |
| <u>(b) If, pursuant to section 3307.071 of the Revised Code, no election is held, the first Monday in May of a year that the election would have been held if not for section 3307.071 of the Revised Code.</u> | 2948 |
| | 2949 |
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| <u>(5) "Expenditure" means the disbursement or use of a contribution for the purpose of getting an individual nominated pursuant to section 3307.07 of the Revised Code for election to the state teachers retirement board or influencing the results of an election to the board under that section.</u> | 2952 |
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| <u>(6) "In-kind contribution" means anything of value other than money that is used to get an individual nominated pursuant to section 3307.07 of the Revised Code for election to the state teachers retirement board or influence the results of an election to the board under that section or is transferred to or used in support of or in opposition to a candidate and that is made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of the benefited candidate. The financing of the dissemination, distribution, or republication, in whole or in part, of any broadcast or of any written, graphic, or other form of campaign materials prepared by the candidate, the candidate's campaign committee, or their authorized agents is an in-kind contribution to the candidate and an expenditure by the candidate.</u> | 2957 |
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| <u>(7) "Personal expenses" includes ordinary expenses for accommodations, clothing, food, personal motor vehicle or</u> | 2971 |
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airplane, and home telephone.

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(B) Each candidate who, or whose campaign committee, receives contributions or in-kind contributions totaling one thousand dollars or more or has expenditures totaling one thousand dollars or more in connection with the candidate's efforts to be nominated for election to the state teachers retirement board or to be elected to the board shall file with the secretary of state two complete, accurate, and itemized statements setting forth in detail the contributions, in-kind contributions, and expenditures. The statements shall be filed regardless of whether, pursuant to section 3307.071 of the Revised Code, no election is held. The statements shall be made on a form prescribed under section 111.30 of the Revised Code. The first statement shall be filed not later than four p.m. on the day that is twelve days before election day. The second statement shall be filed not sooner than the day that is eight days after election day and not later than thirty-eight days after election day. The first statement shall reflect contributions and in-kind contributions received and expenditures made to the close of business on the twentieth day before election day. The second statement shall reflect contributions and in-kind contributions received and expenditures made during the period beginning on the nineteenth day before election day and ending on the close of business on the seventh day after election day.

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Sec. 3307.073. No person shall knowingly fail to file a complete and accurate statement in accordance with section 3307.072 of the Revised Code.

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Sec. 3307.074. The secretary of state, or any person acting on personal knowledge and subject to the penalties of perjury, may file a complaint with the Ohio elections commission alleging a violation of section 3307.073 of the Revised Code. The complaint

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shall be made on a form prescribed and provided by the commission. 3003

On receipt of a complaint under this section, the commission shall hold a hearing open to the public to determine whether the violation alleged in the complaint has occurred. The commission may administer oaths and issue subpoenas to any person in the state compelling the attendance of witnesses and the production of relevant papers, books, accounts, and reports. On the refusal of any person to obey a subpoena or to be sworn or to answer as a witness, the commission may apply to the court of common pleas of Franklin county under section 2705.03 of the Revised Code. The court shall hold proceedings in accordance with Chapter 2705. of the Revised Code. 3004
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The commission shall provide the person accused of the violation at least seven days prior notice of the time, date, and place of the hearing. The accused may be represented by an attorney and shall have an opportunity to present evidence, call witnesses, and cross-examine witnesses. 3015
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At the hearing, the commission shall determine whether the violation alleged in the complaint has occurred. If the commission determines that the violation has occurred, the commission shall either impose a fine under section 3307.99 of the Revised Code or enter a finding that good cause has been shown not to impose the fine. 3020
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Sec. 3307.075. (A) A member of the state teachers retirement board who willfully and flagrantly exercises authority or power not authorized by law, refuses or willfully neglects to enforce the law or to perform any official duty imposed by law, or is guilty of gross neglect of duty, gross immorality, drunkenness, misfeasance, malfeasance, or nonfeasance is guilty of misconduct in office. On complaint and hearing in the manner provided for in 3026
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this section, the board member shall have judgment of forfeiture 3033
of the office with all its emoluments entered against the board 3034
member, creating in the office a vacancy to be filled as provided 3035
by law. 3036

(B) Proceedings for removal of a board member on any of the 3037
grounds enumerated in division (A) of this section shall be 3038
commenced by filing with the court of appeals of the district in 3039
which the board member resides a written complaint specifically 3040
setting forth the charge. The complaint shall be accepted if 3041
signed by the governor or signed as follows: 3042

(1) If the complaint is against a contributing member of the 3043
board, the complaint must be signed by a number of contributing 3044
members of the retirement system that equals at least the 3045
following and must include signatures of at least twenty 3046
contributing members residing in at least five different counties: 3047

(a) If the contributing member was most recently elected in 3048
accordance with division (A) of section 3307.06 of the Revised 3049
Code, ten per cent of the number of contributing members of the 3050
system who voted in that election; 3051

(b) If the contributing member was most recently elected 3052
under division (C) of section 3307.06 of the Revised Code or took 3053
office in accordance with section 3307.071 of the Revised Code, 3054
ten per cent of the number of contributing members of the system 3055
who voted in the most recent election held in accordance with 3056
division (A) of section 3307.06 of the Revised Code for that 3057
contributing member position on the board. 3058

(2) If the complaint is against a retired teacher member of 3059
the board, the complaint must be signed by a number of former 3060
members of the system who are superannuates, as defined in section 3061
3307.01 of the Revised Code, that equals at least the following 3062

and must include signatures of at least twenty retired teacher 3063
members residing in at least five different counties: 3064

(a) If the retired teacher member was most recently elected 3065
in accordance with division (B) of section 3307.06 of the Revised 3066
Code, ten per cent of the number of former members of the system 3067
who voted in that election; 3068

(b) If the retired teacher member was most recently elected 3069
under division (C) of section 3307.06 of the Revised Code or took 3070
office in accordance with section 3307.071 of the Revised Code, 3071
ten per cent of the number of former members of the system who 3072
voted in the most recent election held in accordance with division 3073
(B) of section 3307.06 of the Revised Code for that retired 3074
teacher member position on the board. 3075

(C) The clerk of the court of appeals in which a complaint 3076
against a member of the state teachers retirement board is filed 3077
under division (A) of this section shall do both of the following 3078
with respect to the complaint: 3079

(1) Submit the signatures obtained pursuant to division (B) 3080
of this section to the board for purposes of verifying the 3081
validity of the signatures. The board shall verify the validity of 3082
the signatures and report its findings to the court. 3083

(2) Cause a copy of the complaint to be served on the board 3084
member at least ten days before the hearing on the complaint. The 3085
court shall hold a public hearing not later than thirty days after 3086
the filing of the complaint. The court may subpoena witnesses and 3087
compel their attendance in the same manner as in civil cases. 3088
Process shall be served by the sheriff of the county in which the 3089
witness resides. Witness fees and other fees in connection with 3090
the proceedings shall be the same as in civil cases. The court may 3091
suspend the board member pending the hearing. 3092

If the court finds that one or more of the charges in the 3093

complaint are true, it shall make a finding for removal of the 3094
board member. The court's finding shall include a full detailed 3095
statement of the reasons for the removal. The finding shall be 3096
filed with the clerk of the court and be made a matter of public 3097
record. 3098

The board member has the right of review or appeal to the 3099
supreme court on leave first obtained. The supreme court shall 3100
hear the case in not more than thirty court days after granting 3101
leave. In other respects, the hearing shall follow the regular 3102
procedure in appealable cases that originate in the court of 3103
appeals. 3104

(D) No individual who has been removed from the board 3105
pursuant to this section shall be eligible to fill an elective or 3106
appointed position as a member of the board. 3107

Sec. 3307.10. (A) The members of the state teachers 3108
retirement board shall serve without compensation, except that 3109
members shall be reimbursed from the expense fund for all actual 3110
necessary expenses incurred while serving on the board. 3111

(B) The board may secure insurance coverage designed to 3112
indemnify board members and employees for their actions or conduct 3113
in the performance of official duties, and may pay required 3114
premiums for such coverage from the expense fund. 3115

(C) If the officers of the board determine that a meeting of 3116
the entire membership, or any part thereof, is necessary, such 3117
determination shall be final, and ~~teacher~~ contributing members 3118
shall be given time off from their employment to attend any such 3119
meeting. The employer of a ~~teacher~~ contributing member shall not 3120
reduce the member's earned compensation as a teacher or any 3121
contribution required under section 3307.26 of the Revised Code, 3122
because of the ~~teacher~~ contributing member's absence from 3123

employment to attend any such meeting. 3124

The portion of the employer contribution required under 3125
section 3307.28 of the Revised Code that represents earned 3126
compensation of a ~~teacher~~ contributing member paid for the period 3127
of an absence from employment to attend a board meeting, shall be 3128
annually transferred from the expense fund and forwarded to the 3129
employer of the ~~teacher~~ contributing member. 3130

(D) The board shall adopt rules in accordance with section 3131
111.15 of the Revised Code establishing a policy for reimbursement 3132
of travel expenses incurred by board members and employees in the 3133
performance of their official duties. As part of any audit 3134
performed under Chapter 117. of the Revised Code, an inquiry shall 3135
be made into whether board members and employees have complied 3136
with these rules. 3137

(E) No board member or employee shall accept payment or 3138
reimbursement for travel expenses, ~~other than for~~ including meals 3139
and other food and beverages provided to the member or employee, 3140
from any source other than the expense fund. Except in the case of 3141
an emergency, no out-of-state travel expenses shall be reimbursed 3142
unless approved in advance by a majority of the board at a regular 3143
board meeting. 3144

Sec. 3307.11. The state teachers retirement board shall elect 3145
from its membership, a chairperson and a vice-chairperson. The 3146
treasurer of state, with the advice and consent of the board, 3147
shall ~~employ~~ appoint an executive director who whose service shall 3148
commence immediately following appointment. The executive director 3149
shall serve at the pleasure of the treasurer of state. The board 3150
shall advise and consent regarding the appointment not later than 3151
sixty days following the appointment. The executive director shall 3152
serve as secretary, ~~and~~ to the board. The board shall employ other 3153
persons necessary to operate the system and to fulfill the board's 3154

duties and responsibilities under Chapter 3307. of the Revised 3155
Code. The compensation of all employees and all other expenses of 3156
the board necessary for the proper operation of the system shall 3157
be paid in such amounts as the board approves. 3158

Every expense voucher of an employee, officer, or board 3159
member of the state teachers retirement system shall itemize all 3160
purchases and expenditures. 3161

The board shall receive all applications for retirement under 3162
the plans described in section 3307.031 of the Revised Code, shall 3163
provide for the payment of all retirement allowances and other 3164
benefits payable under this chapter, and shall make other 3165
expenditures authorized by this chapter. 3166

Sec. 3307.15. (A) The members of the state teachers 3167
retirement board shall be the trustees of the funds created by 3168
section 3307.14 of the Revised Code. The board shall have full 3169
power to invest the funds. The board and other fiduciaries shall 3170
discharge their duties with respect to the funds solely in the 3171
interest of the participants and beneficiaries; for the exclusive 3172
purpose of providing benefits to participants and their 3173
beneficiaries and defraying reasonable expenses of administering 3174
the system; with care, skill, prudence, and diligence under the 3175
circumstances then prevailing that a prudent person acting in a 3176
like capacity and familiar with these matters would use in the 3177
conduct of an enterprise of a like character and with like aims; 3178
and by diversifying the investments of the system so as to 3179
minimize the risk of large losses, unless under the circumstances 3180
it is clearly prudent not to do so. 3181

To facilitate investment of the funds, the board may 3182
establish a partnership, trust, limited liability company, 3183
corporation, including a corporation exempt from taxation under 3184

the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 3185
amended, or any other legal entity authorized to transact business 3186
in this state. 3187

(B) In exercising its fiduciary responsibility with respect 3188
to the investment of the funds, it shall be the intent of the 3189
board to give consideration to investments that enhance the 3190
general welfare of the state and its citizens where the 3191
investments offer quality, return, and safety comparable to other 3192
investments currently available to the board. In fulfilling this 3193
intent, equal consideration shall also be given to investments 3194
otherwise qualifying under this section that involve minority 3195
owned and controlled firms and firms owned and controlled by 3196
women, either alone or in joint venture with other firms. 3197

The board shall adopt, in regular meeting, policies, 3198
objectives, or criteria for the operation of the investment 3199
program that include asset allocation targets and ranges, risk 3200
factors, asset class benchmarks, time horizons, total return 3201
objectives, and performance evaluation guidelines. In adopting 3202
policies and criteria for the selection of agents with whom the 3203
board may contract for the administration of the funds, the board 3204
shall comply with sections 3307.152 and 3307.154 of the Revised 3205
Code and shall also give equal consideration to minority owned and 3206
controlled firms, firms owned and controlled by women, and 3207
ventures involving minority owned and controlled firms and firms 3208
owned and controlled by women that otherwise meet the policies and 3209
criteria established by the board. Amendments and additions to the 3210
policies and criteria shall be adopted in regular meeting. The 3211
board shall publish its policies, objectives, and criteria under 3212
this provision no less often than annually and shall make copies 3213
available to interested parties. 3214

When reporting on the performance of investments, the board 3215
shall comply with the performance presentation standards 3216

established by the association for investment management and 3217
research. 3218

(C) All bonds, notes, certificates, stocks, or other 3219
evidences of investments purchased by the board shall be delivered 3220
to the treasurer of state, who is hereby designated as custodian 3221
thereof, or to the treasurer of state's authorized agent, and the 3222
treasurer of state or the agent shall collect the principal, 3223
interest, dividends, and distributions that become due and payable 3224
and place them when so collected into the custodial funds. 3225
Evidences of title of the investments may be deposited by the 3226
treasurer of state for safekeeping with an authorized agent, 3227
selected by the treasurer of state, ~~who~~ that is a ~~qualified~~ 3228
~~trustee under section 135.18~~ trust company that meets the 3229
requirements of Chapter 1111. of the Revised Code. The treasurer 3230
of state shall pay for the investments purchased by the board on 3231
receipt of written or electronic instructions from the board or 3232
the board's designated agent authorizing the purchase and pending 3233
receipt of the evidence of title of the investment by the 3234
treasurer of state or the treasurer of state's authorized agent. 3235
The board may sell investments held by the board, and the 3236
treasurer of state or the treasurer of state's authorized agent 3237
shall accept payment from the purchaser and deliver evidence of 3238
title of the investment to the purchaser on receipt of written or 3239
electronic instructions from the board or the board's designated 3240
agent authorizing the sale, and pending receipt of the moneys for 3241
the investments. The amount received shall be placed into the 3242
custodial funds. The board and the treasurer of state may enter 3243
into agreements to establish procedures for the purchase and sale 3244
of investments under this division and the custody of the 3245
investments. 3246

(D) No purchase or sale of any investment shall be made under 3247
this section except as authorized by the board. 3248

(E) Any statement of financial position distributed by the board shall include the fair value, as of the statement date, of all investments held by the board under this section.

Sec. 3307.152. (A) As used in this section and sections 3307.153 to 3307.157 of the Revised Code:

(1) "Agent" means a licensed dealer, as defined in section 1707.01 of the Revised Code.

(2) "Approved agent" means an agent designated as such by the state teachers retirement board.

(3) "Minority business enterprise" has the same meaning as in section 122.71 of the Revised Code.

(4) "Principals" means persons primarily responsible for directing the operations of the agent.

(B) The state teachers retirement board shall designate approved agents for the purposes of this section and annually compile and make available on request a list of approved agents.

(C) The board shall designate an agent as an approved agent if the agent meets all of the following requirements:

(1) Submits to the board all information required by the board concerning the agent's history, personnel with substantial responsibilities regarding equity investments, support personnel, clients, fees, and any related matter of interest to the board;

(2) Has practiced, or each of its principals has practiced, as an agent in this state for at least three years prior to designation;

(3) Is subject to taxation by this state;

(4) Employs at least five residents of this state;

(5) Has demonstrated professional and administrative ability;

(6) Has no outstanding legal judgments or past judgments that 3277
reflect negatively on the agent or on the state teachers 3278
retirement system. 3279

(D) In any year, not less than seventy per cent of the equity 3280
and fixed-income trades executed on behalf of the board shall be 3281
executed by approved agents. The board shall have as a goal that 3282
not less than an additional ten per cent of the equity and 3283
fixed-income trades executed on behalf of the board be executed by 3284
approved agents that are minority business enterprises. 3285

The percentage of equity trades executed on behalf of the 3286
board shall be measured by the dollar value of commissions paid. 3287
The percentage of fixed-income trades executed on behalf of the 3288
board shall be measured by the face value of the fixed-income 3289
securities traded. 3290

Sec. 3307.153. (A) The state teachers retirement system shall 3291
disclose the following to the division of securities in the 3292
department of commerce and to the Ohio ethics commission: 3293

(1) Any amount of money received by the system from an agent 3294
and any amount of money spent by an agent for an expense of the 3295
system; 3296

(2) The name of any employee of the system with authority 3297
over the investment of retirement system funds or any board member 3298
of the system who deals with an agent regarding amounts described 3299
in division (A)(1) of this section. 3300

(B) The disclosures required by this section shall be made 3301
annually in a report submitted by a date jointly prescribed by the 3302
division of securities and the Ohio ethics commission. 3303

Sec. 3307.154. (A) The state teachers retirement board may 3304
contract with an investment manager to develop the retirement 3305

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| <u>system's investment strategies and to manage assets of the</u> | 3306 |
| <u>retirement system on the board's behalf if the investment manager</u> | 3307 |
| <u>meets all of the following requirements:</u> | 3308 |
| <u>(1) Is one of the following:</u> | 3309 |
| <u>(a) A bank as defined in section 1101.01 of the Revised Code;</u> | 3310 |
| <u>(b) An insurance company as defined in 15 U.S.C. 80a-2;</u> | 3311 |
| <u>(c) An investment company as defined in section 1111.01 of</u> | 3312 |
| <u>the Revised Code;</u> | 3313 |
| <u>(d) An investment adviser as defined in 15 U.S.C. 80b-2.</u> | 3314 |
| <u>(2) Provides to the board the investment manager's investment</u> | 3315 |
| <u>strategies and objectives and evidence satisfactory to the board</u> | 3316 |
| <u>that the investment manager has successfully employed the</u> | 3317 |
| <u>investment strategies and objectives;</u> | 3318 |
| <u>(3) Demonstrates to the board's satisfaction that the</u> | 3319 |
| <u>investment manager has done both of the following for a period of</u> | 3320 |
| <u>time the board specifies:</u> | 3321 |
| <u>(a) Achieved performance measures calculated on a</u> | 3322 |
| <u>time-weighted basis and based on a composite of fully</u> | 3323 |
| <u>discretionary accounts of similar investment style;</u> | 3324 |
| <u>(b) Had net and gross fees that are at least comparable to</u> | 3325 |
| <u>other investment managers with similar investment strategies and</u> | 3326 |
| <u>objectives.</u> | 3327 |
| <u>(4) Provides to the board a performance evaluation report of</u> | 3328 |
| <u>the investment manager that is prepared by an objective third</u> | 3329 |
| <u>party not affiliated with the investment manager and illustrates</u> | 3330 |
| <u>the investment manager's risk and return profile relative to other</u> | 3331 |
| <u>investment managers with similar investment strategies and</u> | 3332 |
| <u>objectives;</u> | 3333 |
| <u>(5) Provides to the board all information required by the</u> | 3334 |

board concerning the investment manager's history, personnel with 3335
substantial responsibilities regarding investment strategies and 3336
objectives, support personnel, clients, fees, and any related 3337
matter the board specifies; 3338

(6) Does not have any judgments against the investment 3339
manager that may, in the board's opinion, reflect negatively on 3340
the investment manager or retirement system. 3341

(B) If the board seeks to contract with an investment manager 3342
to develop the retirement system's investment strategies and to 3343
manage assets of the retirement system on the board's behalf, the 3344
board shall do all of the following: 3345

(1) Provide for investment managers that meet both of the 3346
following requirements to manage not less than fifty per cent of 3347
the assets of the retirement system that are not managed by 3348
employees of the board: 3349

(a) Have at least one contract that the board determines is 3350
significant with another state- or federal-level government 3351
entity; 3352

(b) Meet any of the following requirements: 3353

(i) Have its corporate headquarters in this state; 3354

(ii) Have at least three operating locations in this state 3355
and employ at least fifteen individuals at each location; 3356

(iii) Employ at least five hundred individuals in this state. 3357

(2) Have as a goal that investment managers that are minority 3358
business enterprises manage not less than an additional ten per 3359
cent of the assets of the retirement system; 3360

(3) Have as a goal that one or more emerging investment 3361
managers manage not less than an additional three per cent of the 3362
assets of the retirement system in accordance with a policy the 3363
board may adopt. If the board adopts a policy, it shall do both of 3364

the following: 3365

(a) Establish criteria that an investment manager must meet 3366
to be designated by the board as an emerging investment manager. 3367
The criteria shall require that an investment manager meet at 3368
least both of the following requirements to be designated as an 3369
emerging investment manager: 3370

(i) At the time of application for designation as an emerging 3371
investment manager, manage not more than five hundred million 3372
dollars worth of investments; 3373

(ii) Have at least one contract that the board determines is 3374
significant with another state- or local-level government entity. 3375

(b) Provide for an emerging investment manager that meets all 3376
of the following requirements to receive preference over other 3377
emerging investment managers in obtaining a contract with the 3378
board to manage assets of the retirement system: 3379

(i) Has its corporate headquarters in this state; 3380

(ii) Employs at least five individuals in this state; 3381

(iii) Has other investment operations within this state that 3382
utilize agents and the board determines are significant. 3383

Sec. 3307.155. If the state teachers retirement board 3384
contracts with an investment manager to develop the retirement 3385
system's investment strategies and to manage assets of the 3386
retirement system on the board's behalf, the investment manager 3387
shall do all of the following: 3388

(A) Comply with the board's investment policies and 3389
objectives for the operation of the board's investment program 3390
adopted under section 3307.15 of the Revised Code and all laws 3391
governing the board's investments when developing the retirement 3392
system's investment strategies and managing the assets of the 3393

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| <u>retirement system on the board's behalf;</u> | 3394 |
| <u>(B) Promptly inform the board in writing of any material</u> | 3395 |
| <u>change to the investment manager's organization or professional</u> | 3396 |
| <u>staff;</u> | 3397 |
| <u>(C) At the board's direction, vote by proxy for the board in</u> | 3398 |
| <u>a manner consistent with the long-term interests of the retirement</u> | 3399 |
| <u>system and the board's investment policies and objectives;</u> | 3400 |
| <u>(D) Keep detailed records of any votes by proxy made under</u> | 3401 |
| <u>division (C) of this section;</u> | 3402 |
| <u>(E) On at least a quarterly basis, report to the board on the</u> | 3403 |
| <u>status of the board's investments that the investment manager</u> | 3404 |
| <u>manages, including the gains and losses of the investments for the</u> | 3405 |
| <u>reporting period;</u> | 3406 |
| <u>(F) Meet with officers and employees of the retirement system</u> | 3407 |
| <u>at least twice a year to report on the economic outlook of the</u> | 3408 |
| <u>board's investments that the investment manager manages and the</u> | 3409 |
| <u>investment manager's compliance with the board's investment</u> | 3410 |
| <u>policies and objectives.</u> | 3411 |
| <u>Sec. 3307.156.</u> <u>If the state teachers retirement board</u> | 3412 |
| <u>contracts with an investment manager to develop the retirement</u> | 3413 |
| <u>system's investment strategies and to manage the assets of the</u> | 3414 |
| <u>retirement system on the board's behalf, the board, to the extent</u> | 3415 |
| <u>necessary to comply with division (D) of section 3307.152 of the</u> | 3416 |
| <u>Revised Code, shall supervise and control the equity and</u> | 3417 |
| <u>fixed-income trades that the investment manager causes to be</u> | 3418 |
| <u>executed on the board's behalf.</u> | 3419 |
| <u>Sec. 3307.157.</u> <u>(A) Each quarter, the board of the state</u> | 3420 |
| <u>teachers retirement system shall submit a report containing all of</u> | 3421 |
| <u>the following information to the Ohio retirement study council:</u> | 3422 |

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| <u>(1) The name of each agent designated as an approved agent</u> | 3423 |
| <u>under division (C) of section 3307.152 of the Revised Code;</u> | 3424 |
| <u>(2) The per cent of the equity and fixed-income trades that</u> | 3425 |
| <u>approved agents execute on behalf of the board pursuant to</u> | 3426 |
| <u>division (D) of section 3307.152 of the Revised Code;</u> | 3427 |
| <u>(3) The per cent of the equity and fixed-income trades that</u> | 3428 |
| <u>approved agents that are minority business enterprises execute on</u> | 3429 |
| <u>behalf of the board pursuant to division (D) of section 3307.152</u> | 3430 |
| <u>of the Revised Code;</u> | 3431 |
| <u>(4) The name of each investment manager with which the board</u> | 3432 |
| <u>contracts under section 3307.154 of the Revised Code;</u> | 3433 |
| <u>(5) The per cent of the assets of the state teachers</u> | 3434 |
| <u>retirement system that investment managers manage pursuant to</u> | 3435 |
| <u>division (B)(1) of section 3307.154 of the Revised Code and the</u> | 3436 |
| <u>status of those assets;</u> | 3437 |
| <u>(6) The per cent of the assets of the system that investment</u> | 3438 |
| <u>managers that are minority business enterprises manage pursuant to</u> | 3439 |
| <u>division (B)(2) of section 3307.154 of the Revised Code and the</u> | 3440 |
| <u>status of those assets;</u> | 3441 |
| <u>(7) The per cent of the assets of the system that emerging</u> | 3442 |
| <u>investment managers manage pursuant to division (B)(3) of section</u> | 3443 |
| <u>3307.154 of the Revised Code and the status of those assets;</u> | 3444 |
| <u>(8) A summary of investment managers' compliance with section</u> | 3445 |
| <u>3307.155 of the Revised Code.</u> | 3446 |
| <u>(B) The state teachers retirement board shall prepare the</u> | 3447 |
| <u>report required by division (A) of this section in accordance with</u> | 3448 |
| <u>the uniform format the Ohio retirement study council establishes</u> | 3449 |
| <u>under section 171.04 of the Revised Code.</u> | 3450 |
| Sec. 3307.56. (A)(1) Subject to sections 3307.37 and 3307.561 | 3451 |

of the Revised Code and except as provided in division (B)(2) of 3452
this section, a member participating in the plan described in 3453
sections 3307.50 to 3307.79 of the Revised Code who ceases to be a 3454
teacher for any cause other than death, retirement, receipt of a 3455
disability benefit, or current employment in a position in which 3456
the member has elected to participate in an alternative retirement 3457
plan under section 3305.05 of the Revised Code, upon application, 3458
shall be paid the accumulated contributions standing to the credit 3459
of the member's individual account in the teachers' savings fund 3460
plus an amount calculated in accordance with section 3307.563 of 3461
the Revised Code. If the member or the member's legal 3462
representative cannot be found within ten years after the member 3463
ceased making contributions pursuant to section 3307.26 of the 3464
Revised Code, the accumulated contributions may be transferred to 3465
the guarantee fund and thereafter paid to the member, to the 3466
member's beneficiaries, or to the member's estate, upon proper 3467
application. 3468

(2) A member described in division (A)(1) of this section who 3469
is married at the time of application for payment and is eligible 3470
for age and service retirement under section 3307.58 or 3307.59 of 3471
the Revised Code shall submit with the application a written 3472
statement by the member's spouse attesting that the spouse 3473
consents to the payment of the member's accumulated contributions. 3474
Consent shall be valid only if it is signed and witnessed by a 3475
notary public. If the statement is not submitted under this 3476
division, the application shall be considered an application for 3477
service retirement and shall be subject to division (G)(1) of 3478
section 3307.60 of the Revised Code. 3479

The state teachers retirement board may waive the requirement 3480
of consent if the spouse is incapacitated or cannot be located, or 3481
for any other reason specified by the board. Consent or waiver is 3482
effective only with regard to the spouse who is the subject of the 3483

consent or waiver. 3484

(B) This division applies to any member who is employed in a 3485
position in which the member has elected under section 3305.05 of 3486
the Revised Code to participate in an alternative retirement plan 3487
and due to the election ceases to be a teacher for the purposes of 3488
that position. 3489

Subject to sections 3307.37 and 3307.561 of the Revised Code, 3490
the state teachers retirement system shall do the following: 3491

(1) On receipt of a certified copy of an election under 3492
section 3305.05 of the Revised Code, pay, in accordance with 3493
section ~~3305.051~~ 3305.052 of the Revised Code, the amount 3494
described in that section to the appropriate provider; 3495

(2) If a member has accumulated contributions, in addition to 3496
those subject to division (B)(1) of this section, standing to the 3497
credit of a member's individual account and is not otherwise in a 3498
position in which the member is considered a teacher for the 3499
purposes of that position, pay, to the provider the member 3500
selected pursuant to section 3305.05 of the Revised Code, the 3501
accumulated contributions standing to the credit of the member's 3502
individual account in the teachers' saving fund plus an amount 3503
calculated in accordance with section 3307.80 of the Revised Code. 3504
The payment shall be made on the member's application. 3505

(C) Payment of a member's accumulated contributions under 3506
division (B) of this section cancels the member's total service 3507
credit in the state teachers retirement system. A member whose 3508
accumulated contributions are paid to a provider pursuant to 3509
division (B) of this section is forever barred from claiming or 3510
purchasing service credit under the state teachers retirement 3511
system for the period of employment attributable to those 3512
contributions. 3513

Sec. 3307.99. Whoever violates section 3307.073 of the 3514
Revised Code shall be fined not more than one hundred dollars for 3515
each day of the violation. 3516

Fines imposed by the Ohio elections commission under this 3517
section shall be paid into the Ohio elections commission fund 3518
created under section 3513.10 of the Revised Code. 3519

Sec. 3309.032. The school employees retirement board shall 3520
appoint a committee to oversee the selection of an internal 3521
auditor. The committee shall select one or more persons for 3522
employment as an internal auditor. The board shall employ the 3523
person or persons selected by the committee. 3524

The committee shall consist of the following board members: 3525
one retirant member, one employee member, and one ex officio 3526
member. The committee shall annually prepare and submit to the 3527
Ohio retirement study council a report of its actions during the 3528
preceding year. 3529

Sec. 3309.041. The school employees retirement board shall 3530
adopt rules in accordance with section 111.15 of the Revised Code 3531
to establish an ethics policy to govern board members and 3532
employees in the performance of their official duties. 3533

Sec. 3309.042. The school employees retirement board 3534
periodically shall provide training to members and employees of 3535
the board. The training shall include training regarding the 3536
requirements and prohibitions of Chapter 102. of the Revised Code 3537
and sections 2921.42 and 2921.43 of the Revised Code, the board's 3538
ethics policy, the board's policy regarding travel expenses of 3539
members and employees of the board, the board's policy regarding 3540
employee compensation and any bonuses, and any other training the 3541
board considers appropriate. 3542

Sec. 3309.05. The school employees retirement board shall 3543
consist of the following seven members: 3544

(A) The ~~auditor~~ treasurer of state; 3545

(B) ~~The attorney general;~~ 3546

~~(C)~~ Four members, known as employee members, who shall be 3547
members of the school employees retirement system, and who shall 3548
be elected by ballot by the members of the system; 3549

~~(D) One member~~ (C) Two members, known as the retirant ~~member~~ 3550
members, who shall be a former ~~member~~ members of the retirement 3551
system who ~~is a resident of~~ reside in this state and currently 3552
~~receiving~~ receive an age and service retirement benefit, a 3553
disability benefit, or benefits under a plan established under 3554
section 3309.81 of the Revised Code. The retirant ~~member~~ members 3555
shall be elected by ballot by former members of the system who are 3556
currently receiving an age and service retirement benefit, a 3557
disability benefit, or benefits under a plan established under 3558
section 3309.81 of the Revised Code. 3559

Sec. 3309.06. (A) Elections for employee and retirant members 3560
of the school employees retirement board shall be held on the 3561
first Monday of March. Terms of office of the employee members and 3562
the retirant ~~member~~ members of the board shall be for four years 3563
each, commencing on the first day of July following the election 3564
and ending on the thirtieth day of June. The initial terms of the 3565
first retirant member and the new employee member shall commence 3566
on July 1, 1984, and end on June 30, 1988. ~~Vacancies~~ 3567

(B) The initial election of the second retirant member shall 3568
be held at the first election that occurs later than ninety days 3569
after the effective date of this amendment. Subsequent elections 3570
shall be held each fourth year thereafter. 3571

(C) Vacancies occurring in the ~~terms~~ term of an employee 3572
~~members~~ member or ~~the~~ a retirant member of the board shall be 3573
filled by the remaining members of the board for the unexpired 3574
terms. Employee members or ~~the~~ retirant ~~member~~ members of the 3575
board who fail to attend the meetings of the board for four months 3576
or longer, without being excused, shall be considered as having 3577
resigned and successors shall be elected for their unexpired 3578
terms. If as a result of changed circumstances ~~the~~ a retirant 3579
member would no longer qualify for membership on the board as ~~the~~ 3580
a retirant member, the office shall be considered vacant, and a 3581
successor retirant member shall be elected. 3582

Sec. 3309.062. The office of a member of the school employees 3583
retirement board who is convicted of or pleads guilty to a felony 3584
in this state or any other jurisdiction shall be deemed vacant. 3585

Sec. 3309.063. (A) A member of the school employees 3586
retirement board who willfully and flagrantly exercises authority 3587
or power not authorized by law, refuses or willfully neglects to 3588
enforce the law or to perform any official duty imposed by law, or 3589
is guilty of gross neglect of duty, gross immorality, drunkenness, 3590
misfeasance, malfeasance, or nonfeasance is guilty of misconduct 3591
in office. On complaint and hearing in the manner provided for in 3592
this section, the board member shall have judgment of forfeiture 3593
of the office with all its emoluments entered against the board 3594
member, creating in the office a vacancy to be filled as provided 3595
by law. 3596

(B) Proceedings for removal of a board member on any of the 3597
grounds enumerated in division (A) of this section shall be 3598
commenced by filing with the court of appeals of the district in 3599
which the board member resides a written complaint specifically 3600
setting forth the charge. The complaint shall be accepted if 3601

signed by the governor or signed as follows: 3602

(1) If the complaint is against an employee member of the 3603
board, the complaint must be signed by a number of members of the 3604
retirement system that equals at least the following and must 3605
include signatures of at least twenty employee members residing in 3606
at least five different counties: 3607

(a) If the employee member was most recently elected in 3608
accordance with division (B) of section 3309.07 of the Revised 3609
Code, ten per cent of the number of members of the system who 3610
voted in that election; 3611

(b) If the employee member most recently became a member of 3612
the board pursuant to section 3309.06 of the Revised Code to fill 3613
a vacancy in the board or took office in accordance with section 3614
3309.061 of the Revised Code, ten per cent of the number of 3615
members of the system who voted in the most recent election held 3616
in accordance with division (B) of section 3309.07 of the Revised 3617
Code for that employee member position on the board. 3618

(2) If the complaint is against a retirant member of the 3619
board, the complaint must be signed by a number of system 3620
retirants that equals at least the following and must include 3621
signatures of at least twenty retirant members residing in at 3622
least five different counties: 3623

(a) If the retirant member was most recently elected in 3624
accordance with division (C) of section 3309.07 of the Revised 3625
Code, ten per cent of the number of former members of the system 3626
who voted in that election; 3627

(b) If the retirant member most recently became a member of 3628
the board pursuant to section 3309.06 of the Revised Code to fill 3629
a vacancy in the board or took office in accordance with section 3630
3309.061 of the Revised Code, ten per cent of the number of former 3631
members of the system who voted in the most recent election held 3632

in accordance with division (C) of section 3309.07 of the Revised Code for that retirant member position on the board. 3633
3634

(C) The clerk of the court of appeals in which a complaint against a board member is filed under division (A) of this section shall do both of the following with respect to the complaint: 3635
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(1) Submit the signatures obtained pursuant to division (B) of this section to the board for purposes of verifying the validity of the signatures. The board shall verify the validity of the signatures and report its findings to the court. 3638
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(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing. 3642
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If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record. 3651
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The board member has the right of review or appeal to the supreme court on leave first obtained. The supreme court shall hear the case in not more than thirty court days after granting leave. In other respects, the hearing shall follow the regular procedure in appealable cases that originate in the court of appeals. 3657
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(D) No individual who has been removed from the board 3663

pursuant to this section shall be eligible to fill an elective or 3664
appointed position as a member of the board. 3665

Sec. 3309.07. (A) ~~All~~ The school employees retirement board 3666
shall administer all elections for employee ~~or~~, retirant, and 3667
school board members of the ~~school employees retirement~~ board 3668
~~shall be held under the direction of the board.~~ 3669

(B) Any member of the school employees retirement system, 3670
other than a disability benefit recipient or a member who has been 3671
convicted of or pleaded guilty to a felony in this state or any 3672
other jurisdiction, shall be eligible for election as an employee 3673
member of the board ~~who~~ if the member has been nominated by a 3674
petition signed by at least five hundred members, provided that 3675
there shall be not less than twenty signers each from at least ten 3676
counties wherein such members are employed. The petition shall 3677
specify the term of office and position. The name of any member so 3678
nominated shall be placed upon the ballot by the board as a 3679
regular candidate. Other names of eligible candidates may at any 3680
election be substituted for the regular candidates by writing such 3681
names upon the ballot. The candidate receiving the highest number 3682
of votes for any term as member of the board shall be elected for 3683
such term. In any year in which two employee member or two 3684
retirant member positions must be filled, the candidates who 3685
receive the highest and second highest number of votes shall be 3686
elected to the offices. 3687

(C) Any former member of the school employees retirement 3688
system described in division ~~(D)~~(C) of section 3309.05 of the 3689
Revised Code is eligible for election as one of the retirant 3690
~~member~~ members of the board to represent former members currently 3691
receiving an age and service retirement benefit, a disability 3692
benefit, or benefits under a plan established under section 3693
3309.81 of the Revised Code, provided that such person has been 3694

nominated by a petition signed by at least one hundred fifty 3695
former members of the system who are currently receiving an age 3696
and service retirement benefit, a disability benefit, or benefits 3697
under a plan established under section 3309.81 of the Revised Code 3698
and that the person has not been convicted of or pleaded guilty to 3699
a felony. The petition shall contain the signatures of at least 3700
ten such recipients from each of at least five counties wherein 3701
recipients of benefits from this system reside. The petition shall 3702
specify the term of office and position. The name of any person so 3703
nominated shall be placed upon the ballot by the board as a 3704
regular candidate. Other names of eligible candidates may at any 3705
election be substituted for the regular candidates by writing such 3706
names upon the ballot. The candidate receiving the highest number 3707
of votes for any term as member of the board shall be elected for 3708
such term. 3709

No employee member of the board who retires while a member of 3710
the board shall be eligible to become a retirant member of the 3711
board for three years after the date of the member's retirement. 3712

Sec. 3309.071. (A) As used in this section: 3713

(1) "Campaign committee" means a candidate or a combination 3714
of two or more persons authorized by a candidate to receive 3715
contributions and in-kind contributions and make expenditures on 3716
behalf of the candidate. 3717

(2) "Candidate" means an individual who has been nominated 3718
pursuant to section 3309.07 of the Revised Code for election to 3719
the school employees retirement board. 3720

(3) "Contribution" means a loan, gift, deposit, forgiveness 3721
of indebtedness, donation, advance, payment, transfer of funds or 3722
transfer of anything of value including a transfer of funds from 3723
an inter vivos or testamentary trust or decedent's estate, and the 3724
payment by any person other than the person to whom the services 3725

are rendered for the personal services of another person, which 3726
contribution is made, received, or used for the purpose of getting 3727
an individual nominated pursuant to section 3309.07 of the Revised 3728
Code for election to the school employees retirement board or 3729
influencing the results of an election to the board under that 3730
section. "Contribution" does not include: 3731

(a) Services provided without compensation by individuals 3732
volunteering a portion or all of their time on behalf of a person; 3733

(b) Ordinary home hospitality; 3734

(c) The personal expenses of a volunteer paid for by that 3735
volunteer campaign worker. 3736

(4) "Election day" means the following, as appropriate to the 3737
situation: 3738

(a) The first Monday in March of a year for which section 3739
3309.06 of the Revised Code specifies that an election for a 3740
member of the school employees retirement board be held; 3741

(b) If, pursuant to section 3309.061 of the Revised Code, no 3742
election is held, the first Monday in March of a year that the 3743
election would have been held if not for section 3309.061 of the 3744
Revised Code. 3745

(5) "Expenditure" means the disbursement or use of a 3746
contribution for the purpose of getting an individual nominated 3747
pursuant to section 3309.07 of the Revised Code for election to 3748
the school employees retirement board or influencing the results 3749
of an election to the board under that section. 3750

(6) "In-kind contribution" means anything of value other than 3751
money that is used to get an individual nominated pursuant to 3752
section 3309.07 of the Revised Code for election to the school 3753
employees retirement board or influence the results of an election 3754
to the board under that section or is transferred to or used in 3755

support of or in opposition to a candidate and that is made with 3756
the consent of, in coordination, cooperation, or consultation 3757
with, or at the request or suggestion of the benefited candidate. 3758
The financing of the dissemination, distribution, or 3759
republication, in whole or in part, of any broadcast or of any 3760
written, graphic, or other form of campaign materials prepared by 3761
the candidate, the candidate's campaign committee, or their 3762
authorized agents is an in-kind contribution to the candidate and 3763
an expenditure by the candidate. 3764

(7) "Personal expenses" includes ordinary expenses for 3765
accommodations, clothing, food, personal motor vehicle or 3766
airplane, and home telephone. 3767

(B) Each candidate who, or whose campaign committee, receives 3768
contributions or in-kind contributions totaling one thousand 3769
dollars or more or has expenditures totaling one thousand dollars 3770
or more in connection with the candidate's efforts to be nominated 3771
for election to the school employees retirement board or to be 3772
elected to the board shall file with the secretary of state two 3773
complete, accurate, and itemized statements setting forth in 3774
detail the contributions, in-kind contributions, and expenditures. 3775
The statements shall be filed regardless of whether, pursuant to 3776
section 3309.061 of the Revised Code, no election is held. The 3777
statements shall be made on a form prescribed under section 111.30 3778
of the Revised Code. The first statement shall be filed not later 3779
than four p.m. on the day that is twelve days before election day. 3780
The second statement shall be filed not sooner than the day that 3781
is eight days after election day and not later than thirty-eight 3782
days after election day. The first statement shall reflect 3783
contributions and in-kind contributions received and expenditures 3784
made to the close of business on the twentieth day before election 3785
day. The second statement shall reflect contributions and in-kind 3786
contributions received and expenditures made during the period 3787

beginning on the nineteenth day before election day and ending on 3788
the close of business on the seventh day after election day. 3789

Sec. 3309.072. No person shall knowingly fail to file a 3790
complete and accurate statement in accordance with section 3791
3309.071 of the Revised Code. 3792

Sec. 3309.073. The secretary of state, or any person acting 3793
on personal knowledge and subject to the penalties of perjury, may 3794
file a complaint with the Ohio elections commission alleging a 3795
violation of section 3309.072 of the Revised Code. The complaint 3796
shall be made on a form prescribed and provided by the commission. 3797

On receipt of a complaint under this section, the commission 3798
shall hold a hearing open to the public to determine whether the 3799
violation alleged in the complaint has occurred. The commission 3800
may administer oaths and issue subpoenas to any person in the 3801
state compelling the attendance of witnesses and the production of 3802
relevant papers, books, accounts, and reports. On the refusal of 3803
any person to obey a subpoena or to be sworn or to answer as a 3804
witness, the commission may apply to the court of common pleas of 3805
Franklin county under section 2705.03 of the Revised Code. The 3806
court shall hold proceedings in accordance with Chapter 2705. of 3807
the Revised Code. 3808

The commission shall provide the person accused of the 3809
violation at least seven days prior notice of the time, date, and 3810
place of the hearing. The accused may be represented by an 3811
attorney and shall have an opportunity to present evidence, call 3812
witnesses, and cross-examine witnesses. 3813

At the hearing, the commission shall determine whether the 3814
violation alleged in the complaint has occurred. If the commission 3815
determines that the violation has occurred, the commission shall 3816
either impose a fine under section 3309.99 of the Revised Code or 3817

enter a finding that good cause has been shown not to impose the 3818
fine. 3819

Sec. 3309.10. (A) The members of the school employees 3820
retirement board shall serve without compensation from the 3821
retirement system, but they shall be reimbursed from the expense 3822
fund for any loss of compensation they may suffer through serving 3823
on the board, provided, that the regular employee contribution 3824
shall be withheld from any such reimbursements to cover loss of 3825
compensation and credited to the member's savings account, or the 3826
board member or former board member may pay all such amounts 3827
direct to the retirement system. The corresponding employer 3828
contribution shall be transferred annually from the expense fund 3829
and applied in the same manner as the employers' trust fund 3830
contribution payment by the district, from which the member's 3831
regular contributions are reported. 3832

The members of the board shall be reimbursed from the expense 3833
fund for all actual necessary expenses incurred while serving on 3834
the board. 3835

(B) The board may secure insurance coverage designed to 3836
indemnify board members and employees for their actions or conduct 3837
in the performance of official duties, and may pay required 3838
premiums for such coverage from the expense fund. 3839

(C) The board shall adopt rules in accordance with section 3840
111.15 of the Revised Code establishing a policy for reimbursement 3841
of travel expenses incurred by board members and employees in the 3842
performance of their official duties. As part of any audit 3843
performed under Chapter 117. of the Revised Code, an inquiry shall 3844
be made into whether board members and employees have complied 3845
with these rules. 3846

(D) No board member or employee shall accept payment or 3847

reimbursement for travel expenses, ~~other than for~~ including meals 3848
and other food and beverages provided to the member or employee, 3849
from any source other than the expense fund. Except in the case of 3850
an emergency, no out-of-state travel expenses shall be reimbursed 3851
unless approved in advance by a majority of the board at a regular 3852
board meeting. 3853

Sec. 3309.11. The school employees retirement board shall 3854
elect, from its membership, a ~~chairman, and~~ chairperson. The 3855
treasurer of state shall employ appoint, with the advice and 3856
consent of the board, an executive director ~~who~~ whose service 3857
shall commence immediately following appointment. The executive 3858
director shall serve at the pleasure of the treasurer of state. 3859
The board shall advise and consent regarding the appointment not 3860
later than sixty days following the appointment. The executive 3861
director shall serve as secretary and ~~who~~ may be a member of the 3862
board. 3863

Sec. 3309.15. (A) The members of the school employees 3864
retirement board shall be the trustees of the funds created by 3865
section 3309.60 of the Revised Code. The board shall have full 3866
power to invest the funds. The board and other fiduciaries shall 3867
discharge their duties with respect to the funds solely in the 3868
interest of the participants and beneficiaries; for the exclusive 3869
purpose of providing benefits to participants and their 3870
beneficiaries and defraying reasonable expenses of administering 3871
the school employees retirement system; with care, skill, 3872
prudence, and diligence under the circumstances then prevailing 3873
that a prudent person acting in a like capacity and familiar with 3874
such matters would use in the conduct of an enterprise of a like 3875
character and with like aims; and by diversifying the investments 3876
of the system so as to minimize the risk of large losses, unless 3877
under the circumstances it is clearly prudent not to do so. 3878

The board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, or any other legal entity authorized to transact business in this state.

(B) In exercising its fiduciary responsibility with respect to the investment of the funds, it shall be the intent of the board to give consideration to investments that enhance the general welfare of the state and its citizens where the investments offer quality, return, and safety comparable to other investments currently available to the board. In fulfilling this intent, equal consideration shall also be given to investments otherwise qualifying under this section that involve minority owned and controlled firms and firms owned and controlled by women, either alone or in joint venture with other firms.

The board shall adopt, in regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. In adopting policies and criteria for the selection of agents with whom the board may contract for the administration of the funds, the board shall comply with sections 3309.157 and 3309.159 of the Revised Code and shall also give equal consideration to minority owned and controlled firms, firms owned and controlled by women, and ventures involving minority owned and controlled firms and firms owned and controlled by women that otherwise meet the policies and criteria established by the board. Amendments and additions to the policies and criteria shall be adopted in regular meeting. The board shall publish its policies, objectives, and criteria under this provision no less often than annually and shall make copies available to interested parties.

When reporting on the performance of investments, the board 3911
shall comply with the performance presentation standards 3912
established by the association for investment management and 3913
research. 3914

(C) All evidences of title of investments purchased by the 3915
board under this section shall be delivered to the treasurer of 3916
state, who is hereby designated as custodian thereof, or to the 3917
treasurer of state's authorized agent, and the treasurer of state 3918
or the agent shall collect principal, interest, dividends, and 3919
distributions that become due and payable and place the same when 3920
so collected into the custodial funds. Evidences of title of the 3921
investments may be deposited by the treasurer of state for 3922
safekeeping with an authorized agent, selected by the treasurer of 3923
state, ~~who that~~ is a ~~qualified trustee under section 135.18~~ trust 3924
company that meets the requirements of Chapter 1111. of the 3925
Revised Code. The treasurer of state shall pay for the investments 3926
purchased by the board pending receipt of the evidence of title of 3927
the investments by the treasurer of state or to the treasurer of 3928
state's authorized agent, and on receipt of written or electronic 3929
instructions from the board or the board's designated agent 3930
authorizing the purchase. The board may sell any investments held 3931
by the board, and the treasurer of state or the treasurer of 3932
state's authorized agent shall accept payment from the purchaser 3933
and deliver evidence of title of the investment to the purchaser 3934
on receipt of written or electronic instructions from the board or 3935
the board's designated agent authorizing the sale, and pending 3936
receipt of the moneys for the investments. The amount received 3937
shall be placed into the custodial funds. The board and the 3938
treasurer of state may enter into agreements to establish 3939
procedures for the purchase and sale of investments under this 3940
division and the custody of the investment. 3941

(D) No purchase or sale of any investment shall be made under 3942

this section except as authorized by the school employees 3943
retirement board. 3944

(E) Any statement of financial position distributed by the 3945
board shall include the fair value, as of the statement date, of 3946
all investments held by the board under this section. 3947

Sec. 3309.157. (A) As used in this section and sections 3948
3309.158 to 3309.1512 of the Revised Code: 3949

(1) "Agent" means a licensed dealer, as defined in section 3950
1707.01 of the Revised Code. 3951

(2) "Approved agent" means an agent designated as such by the 3952
school employees retirement board. 3953

(3) "Minority business enterprise" has the same meaning as in 3954
section 122.71 of the Revised Code. 3955

(4) "Principals" means persons primarily responsible for 3956
directing the operations of the agent. 3957

(B) The school employees retirement board shall designate 3958
approved agents for the purposes of this section and annually 3959
compile and make available on request a list of approved agents. 3960

(C) The board shall designate an agent as an approved agent 3961
if the agent meets all of the following requirements: 3962

(1) Submits to the board all information required by the 3963
board concerning the agent's history, personnel with substantial 3964
responsibilities regarding equity investments, support personnel, 3965
clients, fees, and any related matter of interest to the board; 3966

(2) Has practiced, or each of its principals has practiced, 3967
as an agent in this state for at least three years prior to 3968
designation; 3969

(3) Is subject to taxation by this state; 3970

(4) Employs at least five residents of this state; 3971

| | |
|--|--|
| <u>(5) Has demonstrated professional and administrative ability;</u> | 3972 |
| <u>(6) Has no outstanding legal judgments or past judgments that reflect negatively on the agent or on the school employees retirement system.</u> | 3973 3974 3975 |
| <u>(D) In any year, not less than seventy per cent of the equity and fixed-income trades executed on behalf of the board shall be executed by approved agents. The board shall have as a goal that not less than an additional ten per cent of the equity and fixed-income trades executed on behalf of the board be executed by approved agents that are minority business enterprises.</u> | 3976 3977 3978 3979 3980 3981 |
| <u>The percentage of equity trades executed on behalf of the board shall be measured by the dollar value of commissions paid. The percentage of fixed-income trades executed on behalf of the board shall be measured by the face value of the fixed-income securities traded.</u> | 3982 3983 3984 3985 3986 |
| <u>Sec. 3309.158.</u> (A) <u>The school employees retirement system shall disclose the following to the division of securities in the department of commerce and to the Ohio ethics commission:</u> | 3987 3988 3989 |
| <u>(1) Any amount of money received by the system from an agent and any amount of money spent by an agent for an expense of the system;</u> | 3990 3991 3992 |
| <u>(2) The name of any employee of the system with authority over the investment of retirement system funds or any board member of the system who deals with an agent regarding amounts described in division (A)(1) of this section.</u> | 3993 3994 3995 3996 |
| <u>(B) The disclosures required by this section shall be made annually in a report submitted by a date jointly prescribed by the division of securities and the Ohio ethics commission.</u> | 3997 3998 3999 |
| <u>Sec. 3309.159.</u> (A) <u>The school employees retirement board may</u> | 4000 |

contract with an investment manager to develop the retirement 4001
system's investment strategies and to manage assets of the 4002
retirement system on the board's behalf if the investment manager 4003
meets all of the following requirements: 4004

(1) Is one of the following: 4005

(a) A bank as defined in section 1101.01 of the Revised Code; 4006

(b) An insurance company as defined in 15 U.S.C. 80a-2; 4007

(c) An investment company as defined in section 1111.01 of 4008
the Revised Code; 4009

(d) An investment adviser as defined in 15 U.S.C. 80b-2. 4010

(2) Provides to the board the investment manager's investment 4011
strategies and objectives and evidence satisfactory to the board 4012
that the investment manager has successfully employed the 4013
investment strategies and objectives; 4014

(3) Demonstrates to the board's satisfaction that the 4015
investment manager has done both of the following for a period of 4016
time the board specifies: 4017

(a) Achieved performance measures calculated on a 4018
time-weighted basis and based on a composite of fully 4019
discretionary accounts of similar investment style; 4020

(b) Had net and gross fees that are at least comparable to 4021
other investment managers with similar investment strategies and 4022
objectives. 4023

(4) Provides to the board a performance evaluation report of 4024
the investment manager that is prepared by an objective third 4025
party not affiliated with the investment manager and illustrates 4026
the investment manager's risk and return profile relative to other 4027
investment managers with similar investment strategies and 4028
objectives; 4029

(5) Provides to the board all information required by the board concerning the investment manager's history, personnel with substantial responsibilities regarding investment strategies and objectives, support personnel, clients, fees, and any related matter the board specifies; 4030
4031
4032
4033
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(6) Does not have any judgments against the investment manager that may, in the board's opinion, reflect negatively on the investment manager or retirement system. 4035
4036
4037

(B) If the board seeks to contract with an investment manager to develop the retirement system's investment strategies and to manage assets of the retirement system on the board's behalf, the board shall do all of the following: 4038
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(1) Provide for investment managers that meet both of the following requirements to manage not less than fifty per cent of the assets of the retirement system that are not managed by employees of the board: 4042
4043
4044
4045

(a) Have at least one contract that the board determines is significant with another state- or federal-level government entity; 4046
4047
4048

(b) Meet any of the following requirements: 4049

(i) Have its corporate headquarters in this state; 4050

(ii) Have at least three operating locations in this state and employ at least fifteen individuals at each location; 4051
4052

(iii) Employ at least five hundred individuals in this state. 4053

(2) Have as a goal that investment managers that are minority business enterprises manage not less than an additional ten per cent of the assets of the retirement system; 4054
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4056

(3) Have as a goal that one or more emerging investment managers manage not less than an additional three per cent of the assets of the retirement system in accordance with a policy the 4057
4058
4059

board may adopt. If the board adopts a policy, it shall do both of 4060
the following: 4061

(a) Establish criteria that an investment manager must meet 4062
to be designated by the board as an emerging investment manager. 4063
The criteria shall require that an investment manager meet at 4064
least both of the following requirements to be designated as an 4065
emerging investment manager: 4066

(i) At the time of application for designation as an emerging 4067
investment manager, manage not more than five hundred million 4068
dollars worth of investments; 4069

(ii) Have at least one contract that the board determines is 4070
significant with another state- or local-level government entity. 4071

(b) Provide for an emerging investment manager that meets all 4072
of the following requirements to receive preference over other 4073
emerging investment managers in obtaining a contract with the 4074
board to manage assets of the retirement system: 4075

(i) Has its corporate headquarters in this state; 4076

(ii) Employs at least five individuals in this state; 4077

(iii) Has other investment operations within this state that 4078
utilize agents and the board determines are significant. 4079

Sec. 3309.1510. If the school employees retirement board 4080
contracts with an investment manager to develop the retirement 4081
system's investment strategies and to manage assets of the 4082
retirement system on the board's behalf, the investment manager 4083
shall do all of the following: 4084

(A) Comply with the board's investment policies and 4085
objectives for the operation of the board's investment program 4086
adopted under section 3309.15 of the Revised Code and all laws 4087
governing the board's investments when developing the retirement 4088

| | |
|--|------|
| <u>system's investment strategies and managing the assets of the</u> | 4089 |
| <u>retirement system on the board's behalf;</u> | 4090 |
| <u>(B) Promptly inform the board in writing of any material</u> | 4091 |
| <u>change to the investment manager's organization or professional</u> | 4092 |
| <u>staff;</u> | 4093 |
| <u>(C) At the board's direction, vote by proxy for the board in</u> | 4094 |
| <u>a manner consistent with the long-term interests of the retirement</u> | 4095 |
| <u>system and the board's investment policies and objectives;</u> | 4096 |
| <u>(D) Keep detailed records of any votes by proxy made under</u> | 4097 |
| <u>division (C) of this section;</u> | 4098 |
| <u>(E) On at least a quarterly basis, report to the board on the</u> | 4099 |
| <u>status of the board's investments that the investment manager</u> | 4100 |
| <u>manages, including the gains and losses of the investments for the</u> | 4101 |
| <u>reporting period;</u> | 4102 |
| <u>(F) Meet with officers and employees of the retirement system</u> | 4103 |
| <u>at least twice a year to report on the economic outlook of the</u> | 4104 |
| <u>board's investments that the investment manager manages and the</u> | 4105 |
| <u>investment manager's compliance with the board's investment</u> | 4106 |
| <u>policies and objectives.</u> | 4107 |
| <u>Sec. 3309.1511.</u> <u>If the school employees retirement board</u> | 4108 |
| <u>contracts with an investment manager to develop the retirement</u> | 4109 |
| <u>system's investment strategies and to manage the assets of the</u> | 4110 |
| <u>retirement system on the board's behalf, the board, to the extent</u> | 4111 |
| <u>necessary to comply with division (D) of section 3309.157 of the</u> | 4112 |
| <u>Revised Code, shall supervise and control the equity and</u> | 4113 |
| <u>fixed-income trades that the investment manager causes to be</u> | 4114 |
| <u>executed on the board's behalf.</u> | 4115 |
| <u>Sec. 3309.1512.</u> <u>(A) Each quarter, the board of the school</u> | 4116 |
| <u>employees retirement system shall submit a report containing all</u> | 4117 |

| | |
|---|------|
| <u>of the following information to the Ohio retirement study council:</u> | 4118 |
| <u>(1) The name of each agent designated as an approved agent</u> | 4119 |
| <u>under division (C) of section 3309.157 of the Revised Code;</u> | 4120 |
| <u>(2) The per cent of the equity and fixed-income trades that</u> | 4121 |
| <u>approved agents execute on behalf of the board pursuant to</u> | 4122 |
| <u>division (D) of section 3309.157 of the Revised Code;</u> | 4123 |
| <u>(3) The per cent of the equity and fixed-income trades that</u> | 4124 |
| <u>approved agents that are minority business enterprises execute on</u> | 4125 |
| <u>behalf of the board pursuant to division (D) of section 3309.157</u> | 4126 |
| <u>of the Revised Code;</u> | 4127 |
| <u>(4) The name of each investment manager with which the board</u> | 4128 |
| <u>contracts under section 3309.159 of the Revised Code;</u> | 4129 |
| <u>(5) The per cent of the assets of the school employees</u> | 4130 |
| <u>retirement system that investment managers manage pursuant to</u> | 4131 |
| <u>division (B)(1) of section 3309.159 of the Revised Code and the</u> | 4132 |
| <u>status of those assets;</u> | 4133 |
| <u>(6) The per cent of the assets of the system that investment</u> | 4134 |
| <u>managers that are a minority business enterprise manage pursuant</u> | 4135 |
| <u>to division (B)(2) of section 3309.159 of the Revised Code and the</u> | 4136 |
| <u>status of those assets;</u> | 4137 |
| <u>(7) The per cent of the assets of the system that emerging</u> | 4138 |
| <u>investment managers manage pursuant to division (B)(3) of section</u> | 4139 |
| <u>3309.159 of the Revised Code and the status of those assets;</u> | 4140 |
| <u>(8) A summary of investment managers' compliance with section</u> | 4141 |
| <u>3309.1510 of the Revised Code.</u> | 4142 |
| <u>(B) The school employees retirement board shall prepare the</u> | 4143 |
| <u>report required by division (A) of this section in accordance with</u> | 4144 |
| <u>the uniform format the Ohio retirement study council establishes</u> | 4145 |
| <u>under section 171.04 of the Revised Code.</u> | 4146 |

Sec. 3309.42. (A) Subject to sections 3309.43 and 3309.67 of 4147
the Revised Code and except as provided in division (B) of this 4148
section, a member who elects to become exempt from contribution to 4149
the school employees retirement system pursuant to section 3309.23 4150
of the Revised Code, or ceases to be an employee for any cause 4151
other than death, retirement, receipt of a disability benefit, or 4152
current employment in a position in which the member has elected 4153
to participate in an alternative retirement plan pursuant to 4154
section 3305.05 of the Revised Code, shall be paid the accumulated 4155
contributions standing to the credit of the member's individual 4156
account in the employees' savings fund upon application and 4157
subject to such rules as are established by the school employees 4158
retirement board and provided three months have elapsed since 4159
employment, other than employment exempt from contribution under 4160
division (C) of section 3309.23 of the Revised Code, ceased. 4161

(B) This division applies to any member who is employed in a 4162
position in which the member has elected under section 3305.05 of 4163
the Revised Code to participate in an alternative retirement plan 4164
and due to the election ceases to be an employee for purposes of 4165
that position. 4166

Subject to sections 3309.43 and 3309.67 of the Revised Code, 4167
the school employees retirement system shall do the following: 4168

(1) On receipt of an election under section 3305.05 of the 4169
Revised Code, pay, in accordance with section ~~3305.051~~ 3305.052 of 4170
the Revised Code, the amount described in that section to the 4171
appropriate provider; 4172

(2) If a member has accumulated contributions, in addition to 4173
those subject to division (B)(1) of this section, standing to the 4174
credit of the member's individual account and is not otherwise in 4175
a position in which the member is considered an employee for the 4176
purposes of that position, pay, to the provider the member 4177

selected pursuant to section 3305.05 of the Revised Code, the 4178
accumulated contributions standing to the credit of the member's 4179
individual account in the employees' saving fund. The payment 4180
shall be made on the member's application. 4181

(C) Payment of a member's accumulated contributions under 4182
this section cancels the member's total service credit in the 4183
school employees retirement system. A member whose accumulated 4184
contributions are paid to a provider pursuant to division (B) of 4185
this section is forever barred from claiming or purchasing service 4186
credit under the school employees retirement system for the period 4187
of employment attributable to those contributions. 4188

Sec. 3309.99. Whoever violates section 3309.072 of the 4189
Revised Code shall be fined not more than one hundred dollars for 4190
each day of the violation. 4191

Fines imposed by the Ohio elections commission under this 4192
section shall be paid into the Ohio elections commission fund 4193
created under section 3513.10 of the Revised Code. 4194

Sec. 3334.11. (A) The assets of the Ohio tuition trust 4195
authority reserved for payment of the obligations of the authority 4196
pursuant to tuition payment contracts shall be placed in a fund, 4197
which is hereby created and shall be known as the Ohio tuition 4198
trust fund. The fund shall be in the custody of the treasurer of 4199
state, but shall not be part of the state treasury. That portion 4200
of payments received by the authority or the treasurer of state 4201
from persons purchasing tuition credits under tuition payment 4202
contracts that the authority determines is actuarially necessary 4203
for the payment of obligations of the authority pursuant to 4204
tuition payment contracts, all interest and investment income 4205
earned by the fund, and all other receipts of the authority from 4206
any other source that the authority determines appropriate, shall 4207

be deposited in the fund. No purchaser or beneficiary of tuition 4208
credits shall have any claim against the funds of any state 4209
institution of higher education. All investment fees and other 4210
costs incurred in connection with the exercise of the investment 4211
powers of the authority pursuant to divisions (D) and (E) of this 4212
section shall be paid from the assets of the fund. 4213

(B) Unless otherwise provided by the authority, the assets of 4214
the Ohio tuition trust fund shall be expended in the following 4215
order: 4216

(1) To make payments to beneficiaries, or institutions of 4217
higher education on behalf of beneficiaries, under division (B) of 4218
section 3334.09 of the Revised Code; 4219

(2) To make refunds as provided in divisions (B), (E), and 4220
(F) of section 3334.10 of the Revised Code; 4221

(3) To pay the investment fees and other costs of 4222
administering the fund. 4223

(C)(1) Except as may be provided in an agreement under 4224
division (A)(19) of section 3334.08 of the Revised Code, all 4225
disbursements from the Ohio tuition trust fund shall be made by 4226
the treasurer of state on order of a designee of the authority. 4227

(2) The treasurer of state shall deposit any portion of the 4228
Ohio tuition trust fund not needed for immediate use in the same 4229
manner as state funds are deposited. 4230

(D) The authority is the trustee of the Ohio tuition trust 4231
fund. The authority shall have full power to invest the assets of 4232
the fund and in exercising this power shall be subject to the 4233
limitations and requirements contained in divisions (K) to (M) of 4234
this section and sections 145.112 and 145.113 of the Revised Code. 4235
The evidences of title of all investments shall be delivered to 4236
the treasurer of state or to a ~~qualified trustee~~ trust company 4237

that meets the requirements of Chapter 1111. of the Revised Code 4238
and is designated by the treasurer of state ~~as provided in section~~ 4239
~~135.18 of the Revised Code.~~ Assets of the fund shall be 4240
administered by the authority in a manner designed to be 4241
actuarially sound so that the assets of the fund will be 4242
sufficient to satisfy the obligations of the authority pursuant to 4243
tuition payment contracts and defray the reasonable expenses of 4244
administering the fund. 4245

(E) The public employees retirement board shall, with the 4246
approval of the authority, exercise the investment powers of the 4247
authority as set forth in division (D) of this section until the 4248
authority determines that assumption and exercise by the authority 4249
of the investment powers is financially and administratively 4250
feasible. The investment powers shall be exercised by the public 4251
employees retirement board in a manner agreed upon by the 4252
authority that maximizes the return on investment and minimizes 4253
the administrative expenses. 4254

(F)(1) The authority shall maintain a separate account for 4255
each tuition payment contract entered into pursuant to division 4256
(A) of section 3334.09 of the Revised Code for the purchase of 4257
tuition credits on behalf of a beneficiary or beneficiaries 4258
showing the beneficiary or beneficiaries of that contract and the 4259
number of tuition credits purchased pursuant to that contract. 4260
Upon request of any beneficiary or person who has entered into a 4261
tuition payment contract, the authority shall provide a statement 4262
indicating, in the case of a beneficiary, the number of tuition 4263
credits purchased on behalf of the beneficiary, or in the case of 4264
a person who has entered into a tuition payment contract, the 4265
number of tuition credits purchased, used, or refunded pursuant to 4266
that contract. A beneficiary and person that have entered into a 4267
tuition payment contract each may file only one request under this 4268
division in any year. 4269

(2) The authority shall maintain an account for each 4270
scholarship program showing the number of tuition credits that 4271
have been purchased for or donated to the program and the number 4272
of tuition credits that have been used. Upon the request of the 4273
entity that established the scholarship program, the authority 4274
shall provide a statement indicating these numbers. 4275

(G) In addition to the Ohio tuition trust fund, there is 4276
hereby established a reserve fund that shall be in the custody of 4277
the treasurer of state but shall not be part of the state 4278
treasury, and shall be known as the Ohio tuition trust reserve 4279
fund, and an operating fund that shall be part of the state 4280
treasury, and shall be known as the Ohio tuition trust operating 4281
fund. That portion of payments received by the authority or the 4282
treasurer of state from persons purchasing tuition credits under 4283
tuition payment contracts that the authority determines is not 4284
actuarially necessary for the payment of obligations of the 4285
authority pursuant to tuition payment contracts, any interest and 4286
investment income earned by the reserve fund, any administrative 4287
charges and fees imposed by the authority on transactions under 4288
this chapter or on purchasers or beneficiaries of tuition credits, 4289
and all other receipts from any other source that the authority 4290
determines appropriate, shall be deposited in the reserve fund to 4291
pay the operating expenses of the authority and the costs of 4292
administering the program. The assets of the reserve fund may be 4293
invested in the same manner and subject to the same limitations 4294
set forth in divisions (D), (E), and (K) to (M) of this section 4295
and sections 145.112 and 145.113 of the Revised Code. All 4296
investment fees and other costs incurred in connection with the 4297
exercise of the investment powers shall be paid from the assets of 4298
the reserve fund. Except as otherwise provided for in this 4299
chapter, all operating expenses of the authority and costs of 4300
administering the program shall be paid from the operating fund. 4301

The treasurer shall, upon request of the authority, transfer funds 4302
from the reserve fund to the operating fund as the authority 4303
determines appropriate to pay those current operating expenses of 4304
the authority and costs of administering the program as the 4305
authority designates. Any interest or investment income earned on 4306
the assets of the operating fund shall be deposited in the 4307
operating fund. 4308

(H) In January of each year the authority shall report to 4309
each person who received any payments or refunds from the 4310
authority during the preceding year information relative to the 4311
value of the payments or refunds to assist in determining that 4312
person's tax liability. 4313

(I) The authority shall report to the tax commissioner any 4314
information, and at the times, as the tax commissioner requires to 4315
determine any tax liability that a person may have incurred during 4316
the preceding year as a result of having received any payments or 4317
refunds from the authority. 4318

(J) All records of the authority indicating the identity of 4319
purchasers and beneficiaries of tuition credits or college savings 4320
bonds, the number of tuition credits purchased, used, or refunded 4321
under a tuition payment contract, and the number of college 4322
savings bonds purchased, held, or redeemed are not public records 4323
within the meaning of section 149.43 of the Revised Code. 4324

(K) The authority and other fiduciaries shall discharge their 4325
duties with respect to the funds with care, skill, prudence, and 4326
diligence under the circumstances then prevailing that a prudent 4327
person acting in a like capacity and familiar with such matters 4328
would use in the conduct of an enterprise of a like character and 4329
with like aims; and by diversifying the investments of the assets 4330
of the funds so as to minimize the risk of large losses, unless 4331
under the circumstances it is clearly prudent not to do so. 4332

To facilitate investment of the funds, the authority may 4333
establish a partnership, trust, limited liability company, 4334
corporation, including a corporation exempt from taxation under 4335
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 4336
amended, or any other legal entity authorized to transact business 4337
in this state. 4338

(L) In exercising its fiduciary responsibility with respect 4339
to the investment of the assets of the funds, it shall be the 4340
intent of the authority to give consideration to investments that 4341
enhance the general welfare of the state and its citizens where 4342
the investments offer quality, return, and safety comparable to 4343
other investments currently available to the authority. In 4344
fulfilling this intent, equal consideration shall also be given to 4345
investments otherwise qualifying under this section that involve 4346
minority owned and controlled firms and firms owned and controlled 4347
by women, either alone or in joint venture with other firms. 4348

The authority shall adopt, in regular meeting, policies, 4349
objectives, or criteria for the operation of the investment 4350
program that include asset allocation targets and ranges, risk 4351
factors, asset class benchmarks, time horizons, total return 4352
objectives, and performance evaluation guidelines. In adopting 4353
policies and criteria for the selection of agents with whom the 4354
authority may contract for the administration of the assets of the 4355
funds, the authority shall give equal consideration to minority 4356
owned and controlled firms, firms owned and controlled by women, 4357
and ventures involving minority owned and controlled firms and 4358
firms owned and controlled by women that otherwise meet the 4359
policies and criteria established by the authority. Amendments and 4360
additions to the policies and criteria shall be adopted in regular 4361
meeting. The authority shall publish its policies, objectives, and 4362
criteria under this provision no less often than annually and 4363
shall make copies available to interested parties. 4364

When reporting on the performance of investments, the 4365
authority shall comply with the performance presentation standards 4366
established by the association for investment management and 4367
research. 4368

(M) All investments shall be purchased at current market 4369
prices and the evidences of title of the investments shall be 4370
placed in the hands of the treasurer of state, who is hereby 4371
designated as custodian thereof, or in the hands of the treasurer 4372
of state's authorized agent. The treasurer of state or the agent 4373
shall collect the principal, dividends, distributions, and 4374
interest thereon as they become due and payable and place them 4375
when so collected into the custodial funds. 4376

The treasurer of state shall pay for investments purchased by 4377
the authority on receipt of written or electronic instructions 4378
from the authority or the authority's designated agent authorizing 4379
the purchase and pending receipt of the evidence of title of the 4380
investment by the treasurer of state or the treasurer of state's 4381
authorized agent. The authority may sell investments held by the 4382
authority, and the treasurer of state or the treasurer of state's 4383
authorized agent shall accept payment from the purchaser and 4384
deliver evidence of title of the investment to the purchaser on 4385
receipt of written or electronic instructions from the authority 4386
or the authority's designated agent authorizing the sale, and 4387
pending receipt of the moneys for the investments. The amount 4388
received shall be placed in the custodial funds. The authority and 4389
the treasurer of state may enter into agreements to establish 4390
procedures for the purchase and sale of investments under this 4391
division and the custody of the investments. 4392

No purchase or sale of any investment shall be made under 4393
this section except as authorized by the authority. 4394

Any statement of financial position distributed by the 4395

authority shall include fair value, as of the statement date, of 4396
all investments held by the authority under this section. 4397

Sec. 4123.44. The administrator of workers' compensation, in 4398
accordance with the investment objectives, policies, and criteria 4399
established by the workers' compensation oversight commission 4400
pursuant to section 4121.12 of the Revised Code, may invest any of 4401
the surplus or reserve belonging to the state insurance fund. 4402

The administrator and other fiduciaries shall discharge their 4403
duties with respect to the funds with the care, skill, prudence, 4404
and diligence under the circumstances then prevailing that a 4405
prudent person acting in a like capacity and familiar with such 4406
matters would use in the conduct of an enterprise of a like 4407
character and with like aims, and by diversifying the investments 4408
of the assets of the funds so as to minimize the risk of large 4409
losses, unless under the circumstances it is clearly prudent not 4410
to do so. 4411

To facilitate investment of the funds, the administrator may 4412
establish a partnership, trust, limited liability company, 4413
corporation, including a corporation exempt from taxation under 4414
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 4415
amended, or any other legal entity authorized to transact business 4416
in this state. 4417

When reporting on the performance of investments, the 4418
administrator shall comply with the performance presentation 4419
standards established by the association for investment management 4420
and research. 4421

All investments shall be purchased at current market prices 4422
and the evidences of title to the investments shall be placed in 4423
the custody of the treasurer of state, who is hereby designated as 4424
custodian, or in the custody of the treasurer of state's 4425

authorized agent. Evidences of title of the investments so 4426
purchased may be deposited by the treasurer of state for 4427
safekeeping with ~~an authorized agent~~ a trust company that meets 4428
the requirements of Chapter 1111. of the Revised Code and is 4429
selected by the treasurer ~~who is a qualified trustee under section~~ 4430
~~135.18 of the Revised Code of state~~. The treasurer of state or the 4431
agent shall collect the principal, dividends, distributions, and 4432
interest as they become due and payable and place them when 4433
collected into the state insurance fund. 4434

The treasurer of state shall pay for investments purchased by 4435
the administrator on receipt of written or electronic instructions 4436
from the administrator or the administrator's designated agent 4437
authorizing the purchase, and pending receipt of the evidence of 4438
title of the investment by the treasurer of state or the treasurer 4439
of state's authorized agent. The administrator may sell 4440
investments held by the administrator, and the treasurer of state 4441
or the treasurer of state's authorized agent shall accept payment 4442
from the purchaser and deliver evidence of title of the investment 4443
to the purchaser, on receipt of written or electronic instructions 4444
from the administrator or the administrator's designated agent 4445
authorizing the sale, and pending receipt of the moneys for the 4446
investments. The amount received shall be placed in the state 4447
insurance fund. The administrator and the treasurer of state may 4448
enter into agreements to establish procedures for the purchase and 4449
sale of investments under this division and the custody of the 4450
investments. 4451

No purchase or sale of any investment shall be made under 4452
this section, except as authorized by the administrator. 4453

Any statement of financial position distributed by the 4454
administrator shall include the fair value, as of the statement 4455
date, of all investments held by the administrator under this 4456
section. 4457

When in the judgment of the administrator it is necessary to 4458
provide available funds for the payment of compensation or 4459
benefits under this chapter, the administrator may borrow money 4460
from any available source and pledge as security a sufficient 4461
amount of bonds or other securities in which the state insurance 4462
fund is invested. The aggregate unpaid amount of loans existing at 4463
any one time for money so borrowed shall not exceed ten million 4464
dollars. The bonds or other securities so pledged as security for 4465
such loans to the administrator shall be the sole security for the 4466
payment of the principal and interest of any such loan. The 4467
administrator shall not be personally liable for the payment of 4468
the principal or the interest of any such loan. No such loan shall 4469
be made for a longer period of time than one year. Such loans may 4470
be renewed but no one renewal shall be for a period in excess of 4471
one year. Such loans shall bear such rate of interest as the 4472
administrator determines and in negotiating the loans, the 4473
administrator shall endeavor to secure as favorable interest rates 4474
and terms as circumstances will permit. 4475

The treasurer of state may deliver to the person or 4476
governmental agency making such loan, the bonds or other 4477
securities which are to be pledged by the administrator as 4478
security for such loan, upon receipt by the treasurer of state of 4479
an order of the administrator authorizing such loan. Upon payment 4480
of any such loan by the administrator, the bonds or other 4481
securities pledged as security therefor shall be returned to the 4482
treasurer of state as custodian of such bonds. 4483

The administrator may pledge with the treasurer of state such 4484
amount of bonds or other securities in which the state insurance 4485
fund is invested as is reasonably necessary as security for any 4486
certificates issued, or paid out, by the treasurer of state upon 4487
any warrants drawn by the administrator. 4488

The administrator may secure investment information services, 4489

consulting services, and other like services to facilitate 4490
investment of the surplus and reserve belonging to the state 4491
insurance fund. The administrator shall pay the expense of 4492
securing such services from the state insurance fund. 4493

Sec. 5505.04. (A) The general administration and management 4494
of the state highway patrol retirement system and the making 4495
effective of this chapter are hereby vested in the state highway 4496
patrol retirement board. The board may sue and be sued, plead and 4497
be impleaded, contract and be contracted with, and do all things 4498
necessary to carry out this chapter. 4499

The board shall consist of the ~~auditor~~ treasurer of state, 4500
~~the superintendent of the state highway patrol, a retirant member~~ 4501
~~who is a resident of~~ two retirant members who reside in this 4502
state, and four employee-members. 4503

The board shall annually elect a chairperson and 4504
vice-chairperson from among its members. The vice-chairperson 4505
shall act as chairperson in the absence of the chairperson. A 4506
majority of the members of the board shall constitute a quorum and 4507
any action taken shall be approved by four or more of the members. 4508
The board shall meet not less than once each year, upon sufficient 4509
notice to the members. All meetings of the board shall be open to 4510
the public except executive sessions as set forth in division (G) 4511
of section 121.22 of the Revised Code, and any portions of any 4512
sessions discussing medical records or the degree of disability of 4513
a member excluded from public inspection by this section. 4514

(B) The attorney general shall prescribe procedures for the 4515
adoption of rules authorized under this chapter, consistent with 4516
the provision of section 111.15 of the Revised Code under which 4517
all rules shall be filed in order to be effective. Such procedures 4518
shall establish methods by which notice of proposed rules are 4519
given to interested parties and rules adopted by the board 4520

published and otherwise made available. When it files a rule with 4521
the joint committee on agency rule review pursuant to section 4522
111.15 of the Revised Code, the board shall submit to the Ohio 4523
retirement study council a copy of the full text of the rule, and 4524
if applicable, a copy of the rule summary and fiscal analysis 4525
required by division (B) of section 127.18 of the Revised Code. 4526

(C)(1) Except as provided in division (C)(4) of this section, 4527
~~the~~ each retirant-member of the board shall be elected for a 4528
four-year term by a general election of service and disability 4529
retirants conducted in a manner approved by the board. The initial 4530
term of the ~~initial~~ first retirant-member shall commence in August 4531
1990. The initial election of the second retirant-member shall be 4532
held at the first election that occurs later than ninety days 4533
after the effective date of this amendment. The subsequent term 4534
shall commence in August of the fourth year thereafter. A person 4535
who at the time of retirement is an employee-member of the board 4536
is not eligible to become a retirant-member until three years 4537
after such person's retirement date. 4538

(2) Except as provided in division (C)(4) of this section, 4539
employee-members of the board shall be elected for terms of four 4540
years by a general election of contributing members conducted in a 4541
manner approved by the board. The term of office of each 4542
employee-member shall commence in August of the year in which such 4543
member is elected. 4544

(3) Except as provided in division (C)(4) of this section, 4545
any vacancy occurring in the term of ~~the~~ a retirant-member or any 4546
employee-member of the board shall be filled by an election 4547
conducted in the same manner as other retirant-member and 4548
employee-member elections. The retirant-member or employee-member 4549
elected shall fill the unexpired term. 4550

(4) The state highway patrol retirement board is not required 4551
to hold an election for a position on the board as a 4552

retirant-member, employee-member, or vacancy for a retirant-member 4553
or employee-member if only one candidate has been nominated for 4554
the position or vacancy in the manner approved by the board. The 4555
candidate shall take office as if elected. In the case of a 4556
retirant-member or employee-member, the term of office shall be 4557
four years beginning in August of the year the candidate was 4558
nominated. In the case of a vacancy, the candidate shall fill the 4559
unexpired term. 4560

(5) A person who has been convicted of or pleaded guilty to a 4561
felony in this state or any other jurisdiction is not eligible to 4562
become a retirant-member or employee-member of the board. 4563

(D)(1) As used in this division, "personal history record" 4564
means information maintained by the board on an individual who is 4565
a member, former member, retirant, or beneficiary that includes 4566
the address, telephone number, social security number, record of 4567
contributions, correspondence with the system, and other 4568
information the board determines to be confidential. 4569

(2) The records of the board shall be open to public 4570
inspection, except for the following which shall be excluded: the 4571
member's, former member's, retirant's, or beneficiary's personal 4572
history record and the amount of a monthly allowance or benefit 4573
paid to a retirant, beneficiary, or survivor, except with the 4574
written authorization of the individual concerned. All medical 4575
reports and recommendations are privileged except that copies of 4576
such medical reports or recommendations shall be made available to 4577
the individual's personal physician, attorney, or authorized agent 4578
upon written release received from such individual or such 4579
individual's agent, or when necessary for the proper 4580
administration of the fund to the board-assigned physician. 4581

(E) Notwithstanding the exceptions to public inspection in 4582
division (D)(2) of this section, the board may furnish the 4583
following information: 4584

(1) If a member, former member, or retirant is subject to an order issued under section 2907.15 of the Revised Code or is convicted of or pleads guilty to a violation of section 2921.41 of the Revised Code, on written request of a prosecutor as defined in section 2935.01 of the Revised Code, the board shall furnish to the prosecutor the information requested from the individual's personal history record.

(2) Pursuant to a court order issued under Chapters 3119., 3121., and 3123. of the Revised Code, the board shall furnish to a court or child support enforcement agency the information required under those chapters.

(3) At the written request of any nonprofit organization or association providing services to retirement system members, retirants, or beneficiaries, the board shall provide to the organization or association a list of the names and addresses of members, former members, retirants, or beneficiaries if the organization or association agrees to use such information solely in accordance with its stated purpose of providing services to such individuals and not for the benefit of other persons, organizations, or associations. The costs of compiling, copying, and mailing the list shall be paid by such entity.

(4) Within fourteen days after receiving from the director of job and family services a list of the names and social security numbers of recipients of public assistance pursuant to section 5101.181 of the Revised Code, the board shall inform the auditor of state of the name, current or most recent employer address, and social security number of each member whose name and social security number are the same as those of a person whose name or social security number was submitted by the director. The board and its employees, except for purposes of furnishing the auditor of state with information required by this section, shall preserve the confidentiality of recipients of public assistance in

compliance with division (A) of section 5101.181 of the Revised Code. 4617
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(5) The system shall comply with orders issued under section 4619
3105.87 of the Revised Code. 4620

On the written request of an alternate payee, as defined in 4621
section 3105.80 of the Revised Code, the system shall furnish to 4622
the alternate payee information on the amount and status of any 4623
amounts payable to the alternate payee under an order issued under 4624
section 3105.171 or 3105.65 of the Revised Code. 4625

(F) A statement that contains information obtained from the 4626
system's records that is certified and signed by an officer of the 4627
retirement system and to which the system's official seal is 4628
affixed, or copies of the system's records to which the signature 4629
and seal are attached, shall be received as true copies of the 4630
system's records in any court or before any officer of this state. 4631

Sec. 5505.041. (A) As used in this section: 4632

(1) "Campaign committee" means a candidate or a combination 4633
of two or more persons authorized by a candidate to receive 4634
contributions and in-kind contributions and make expenditures on 4635
behalf of the candidate. 4636

(2) "Candidate" means an individual who has been nominated 4637
for election to the state highway patrol retirement board. 4638

(3) "Contribution" means a loan, gift, deposit, forgiveness 4639
of indebtedness, donation, advance, payment, transfer of funds or 4640
transfer of anything of value including a transfer of funds from 4641
an inter vivos or testamentary trust or decedent's estate, and the 4642
payment by any person other than the person to whom the services 4643
are rendered for the personal services of another person, which 4644
contribution is made, received, or used for the purpose of getting 4645
an individual nominated for election to the state highway patrol 4646

retirement board or influencing the results of an election to the 4647
board under division (C) of section 5505.04 of the Revised Code. 4648
"Contribution" does not include: 4649

(a) Services provided without compensation by individuals 4650
volunteering a portion or all of their time on behalf of a person; 4651

(b) Ordinary home hospitality; 4652

(c) The personal expenses of a volunteer paid for by that 4653
volunteer campaign worker. 4654

(4) "Election day" means the following, as appropriate to the 4655
situation: 4656

(a) The last day that ballots for an election to the state 4657
highway patrol retirement board under division (C)(1), (2), or (3) 4658
section 5505.04 of the Revised Code may be returned in order for 4659
the ballot to be counted; 4660

(b) If, pursuant to division (C)(4) of section 5505.04 of the 4661
Revised Code, no election is held, the last day that ballots would 4662
have been required to be returned in order to be counted if an 4663
election was to be held under division (C)(1), (2), or (3) of 4664
section 5505.04 of the Revised Code. 4665

(5) "Expenditure" means the disbursement or use of a 4666
contribution for the purpose of getting an individual nominated 4667
for election to the state highway patrol retirement board or 4668
influencing the results of an election to the board under division 4669
(C) of section 5505.04 of the Revised Code. 4670

(6) "In-kind contribution" means anything of value other than 4671
money that is used to get an individual nominated for election to 4672
the state highway patrol retirement board or influence the results 4673
of an election to the board under division (C) of section 5505.04 4674
of the Revised Code or is transferred to or used in support of or 4675
in opposition to a candidate and that is made with the consent of, 4676

in coordination, cooperation, or consultation with, or at the 4677
request or suggestion of the benefited candidate. The financing of 4678
the dissemination, distribution, or republication, in whole or in 4679
part, of any broadcast or of any written, graphic, or other form 4680
of campaign materials prepared by the candidate, the candidate's 4681
campaign committee, or their authorized agents is an in-kind 4682
contribution to the candidate and an expenditure by the candidate. 4683

(7) "Personal expenses" includes ordinary expenses for 4684
accommodations, clothing, food, personal motor vehicle or 4685
airplane, and home telephone. 4686

(B) Each candidate who, or whose campaign committee, receives 4687
contributions or in-kind contributions totaling one thousand 4688
dollars or more or has expenditures totaling one thousand dollars 4689
or more in connection with the candidate's efforts to be nominated 4690
for election to the state highway patrol retirement board or to be 4691
elected to the board shall file with the secretary of state two 4692
complete, accurate, and itemized statements setting forth in 4693
detail the contributions, in-kind contributions, and expenditures. 4694
The statements shall be filed regardless of whether an election is 4695
held or, pursuant to division (C)(4) of section 5505.04 of the 4696
Revised Code, an election is not held. The statements shall be 4697
made on a form prescribed under section 111.30 of the Revised 4698
Code. The first statement shall be filed not later than four p.m. 4699
on the day that is twelve days before election day. The second 4700
statement shall be filed not sooner than the day that is eight 4701
days after election day and not later than thirty-eight days after 4702
election day. The first statement shall reflect contributions and 4703
in-kind contributions received and expenditures made to the close 4704
of business on the twentieth day before election day. The second 4705
statement shall reflect contributions and in-kind contributions 4706
received and expenditures made during the period beginning on the 4707
nineteenth day before election day and ending on the close of 4708

business on the seventh day after election day. 4709

Sec. 5505.042. No person shall knowingly fail to file a 4710
complete and accurate statement in accordance with section 4711
5505.041 of the Revised Code. 4712

Sec. 5505.043. The secretary of state, or any person acting 4713
on personal knowledge and subject to the penalties of perjury, may 4714
file a complaint with the Ohio elections commission alleging a 4715
violation of section 5505.042 of the Revised Code. The complaint 4716
shall be made on a form prescribed and provided by the commission. 4717

On receipt of a complaint under this section, the commission 4718
shall hold a hearing open to the public to determine whether the 4719
violation alleged in the complaint has occurred. The commission 4720
may administer oaths and issue subpoenas to any person in the 4721
state compelling the attendance of witnesses and the production of 4722
relevant papers, books, accounts, and reports. On the refusal of 4723
any person to obey a subpoena or to be sworn or to answer as a 4724
witness, the commission may apply to the court of common pleas of 4725
Franklin county under section 2705.03 of the Revised Code. The 4726
court shall hold proceedings in accordance with Chapter 2705. of 4727
the Revised Code. 4728

The commission shall provide the person accused of the 4729
violation at least seven days prior notice of the time, date, and 4730
place of the hearing. The accused may be represented by an 4731
attorney and shall have an opportunity to present evidence, call 4732
witnesses, and cross-examine witnesses. 4733

At the hearing, the commission shall determine whether the 4734
violation alleged in the complaint has occurred. If the commission 4735
determines that the violation has occurred, the commission shall 4736
either impose a fine under section 5505.99 of the Revised Code or 4737
enter a finding that good cause has been shown not to impose the 4738

fine. 4739

Sec. 5505.044. The office of a member of the state highway 4740
patrol retirement board who is convicted of or pleads guilty to a 4741
felony in this state or any other jurisdiction shall be deemed 4742
vacant. 4743

Sec. 5505.045. (A) A member of the state highway patrol 4744
retirement board who willfully and flagrantly exercises authority 4745
or power not authorized by law, refuses or willfully neglects to 4746
enforce the law or to perform any official duty imposed by law, or 4747
is guilty of gross neglect of duty, gross immorality, drunkenness, 4748
misfeasance, malfeasance, or nonfeasance is guilty of misconduct 4749
in office. On complaint and hearing in the manner provided for in 4750
this section, the board member shall have judgment of forfeiture 4751
of the office with all its emoluments entered against the board 4752
member, creating in the office a vacancy to be filled as provided 4753
by law. 4754

(B) Proceedings for removal of a state retirement system 4755
board member on any of the grounds enumerated in division (A) of 4756
this section shall be commenced by filing with the court of 4757
appeals of the district in which the board member resides a 4758
written complaint specifically setting forth the charge. The 4759
complaint shall be accepted if signed by the governor or signed as 4760
follows: 4761

(1) If the complaint is against an employee member of the 4762
board, the complaint must be signed by a number of members of the 4763
retirement system that equals at least the following and must 4764
include signatures of at least twenty employee members residing in 4765
at least five different counties: 4766

(a) If the employee member was most recently elected in 4767
accordance with division (C)(2) of section 5505.04 of the Revised 4768

Code, ten per cent of the number of contributing members of the 4769
system who voted in that election; 4770

(b) If the employee member was most recently elected to the 4771
board pursuant to division (C)(3) of section 5505.04 of the 4772
Revised Code or took office in accordance with division (C)(4) of 4773
that section, ten per cent of the number of contributing members 4774
of the system who voted in the most recent election held in 4775
accordance with division (C)(2) of section 5505.04 of the Revised 4776
Code for that employee member position on the board. 4777

(2) If the complaint is against the retirant member of the 4778
board, the complaint must be signed by a number of service and 4779
disability retirants that equals at least the following and must 4780
include signatures of at least twenty service and disability 4781
members residing in at least five different counties: 4782

(a) If the retirant member was most recently elected in 4783
accordance with division (C)(1) of section 5505.04 of the Revised 4784
Code, ten per cent of the number of service and disability 4785
retirants who voted in that election; 4786

(b) If the retirant member was most recently elected to the 4787
board pursuant to division (C)(3) of section 5505.04 of the 4788
Revised Code or took office in accordance with division (C)(4) of 4789
that section, ten per cent of the number of service and disability 4790
retirants who voted in the most recent election held in accordance 4791
with division (C)(1) of section 5505.04 of the Revised Code for 4792
that retirant member position on the board. 4793

(C) The clerk of the court of appeals in which a complaint 4794
against a board member is filed under division (A) of this section 4795
shall do both of the following with respect to the complaint: 4796

(1) Submit the signatures obtained pursuant to division (B) 4797
of this section to the board for purposes of verifying the 4798
validity of the signatures. The board shall verify the validity of 4799

the signatures and report its findings to the court.

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(2) Cause a copy of the complaint to be served on the board member at least ten days before the hearing on the complaint. The court shall hold a public hearing not later than thirty days after the filing of the complaint. The court may subpoena witnesses and compel their attendance in the same manner as in civil cases. Process shall be served by the sheriff of the county in which the witness resides. Witness fees and other fees in connection with the proceedings shall be the same as in civil cases. The court may suspend the board member pending the hearing.

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If the court finds that one or more of the charges in the complaint are true, it shall make a finding for removal of the board member. The court's finding shall include a full detailed statement of the reasons for the removal. The finding shall be filed with the clerk of the court and be made a matter of public record.

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The board member has the right of review or appeal to the supreme court on leave first obtained. The supreme court shall hear the case in not more than thirty court days after granting leave. In other respects, the hearing shall follow the regular procedure in appealable cases that originate in the court of appeals.

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(D) No individual who has been removed from the board pursuant to this section shall be eligible to fill an elective or appointed position as a member of the board.

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Sec. 5505.05. (A) Each member of the state highway patrol retirement board, upon appointment or election, shall take an oath of office that ~~he~~ the member will support the constitutions of the United States and this state, that ~~he~~ the member will diligently and honestly administer the affairs of the board, and that ~~he~~ the

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member will not knowingly violate or willfully permit the 4830
violation of any law applicable to this chapter. The oath shall be 4831
subscribed to by the member making it, certified by the officer 4832
before whom it is taken, and immediately filed in the office of 4833
the secretary of state. 4834

(B) The members of the board shall serve without 4835
compensation, except that they shall suffer no loss because of 4836
absence from their regular employment while engaged in official 4837
duties as board members. The members of the board shall be 4838
reimbursed for actual and necessary expenses from the expense 4839
fund. 4840

(C) The board may secure insurance coverage designed to 4841
indemnify board members and employees for their actions or conduct 4842
in the performance of official duties, and may pay required 4843
premiums for such coverage from the expense fund. 4844

(D) The board shall adopt rules in accordance with section 4845
111.15 of the Revised Code establishing a policy for reimbursement 4846
of travel expenses incurred by board members and employees in the 4847
performance of their official duties. As part of any audit 4848
performed under Chapter 117. of the Revised Code, an inquiry shall 4849
be made into whether board members and employees have complied 4850
with these rules. 4851

(E) No board member or employee shall accept payment or 4852
reimbursement for travel expenses, ~~other than for~~ including meals 4853
and other food and beverages provided to the member or employee, 4854
from any source other than the expense fund. Except in the case of 4855
an emergency, no out-of-state travel expenses shall be reimbursed 4856
unless approved in advance by a majority of the board at a regular 4857
board meeting. 4858

Sec. 5505.051. The state highway patrol retirement board 4859

shall adopt rules in accordance with section 111.15 of the Revised Code to establish an ethics policy to govern board members and employees in the performance of their official duties.

Sec. 5505.052. The state highway patrol retirement board periodically shall provide training to members and employees of the board. The training shall include training regarding the requirements and prohibitions of Chapter 102. of the Revised Code and sections 2921.42 and 2921.43 of the Revised Code, the board's ethics policy, the board's policy regarding travel expenses of members and employees of the board, the board's policy regarding employee compensation and any bonuses, and any other training the board considers appropriate.

Sec. 5505.06. (A) The members of the state highway patrol retirement board shall be the trustees of the funds created by section 5505.03 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

To facilitate investment of the funds, the board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under

the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 4890
amended, or any other legal entity authorized to transact business 4891
in this state. 4892

(B) In exercising its fiduciary responsibility with respect 4893
to the investment of the funds, it shall be the intent of the 4894
board to give consideration to investments that enhance the 4895
general welfare of the state and its citizens where the 4896
investments offer quality, return, and safety comparable to other 4897
investments currently available to the board. In fulfilling this 4898
intent, equal consideration shall be given to investments 4899
otherwise qualifying under this section that involve minority 4900
owned and controlled firms and firms owned and controlled by 4901
women, either alone or in joint venture with other firms. 4902

The board shall adopt, in regular meeting, policies, 4903
objectives, or criteria for the operation of the investment 4904
program that include asset allocation targets and ranges, risk 4905
factors, asset class benchmarks, time horizons, total return 4906
objectives, and performance evaluation guidelines. In adopting 4907
policies and criteria for the selection of agents with whom the 4908
board may contract for the administration of the funds, the board 4909
shall comply with sections 5505.062 and 5505.064 of the Revised 4910
Code and shall also give equal consideration to minority owned and 4911
controlled firms, firms owned and controlled by women, and joint 4912
ventures involving minority owned and controlled firms and firms 4913
owned and controlled by women that otherwise meet the policies and 4914
criteria established by the board. Amendments and additions to the 4915
policies and criteria shall be adopted in regular meeting. The 4916
board shall publish its policies, objectives, and criteria under 4917
this provision no less often than annually and shall make copies 4918
available to interested parties. 4919

When reporting on the performance of investments, the board 4920
shall comply with the performance presentation standards 4921

established by the association for investment management and 4922
research. 4923

(C) All evidences of title of the investments purchased by 4924
the board shall be delivered to the treasurer of state, who is 4925
hereby designated as the custodian thereof, or to the treasurer of 4926
state's authorized agent. Evidences of title of the investments 4927
may be deposited by the treasurer of state for safekeeping with an 4928
authorized agent, selected by the treasurer of state, ~~who~~ that is 4929
a ~~qualified trustee under section 135.18~~ trust company that meets 4930
the requirements of Chapter 1111. of the Revised Code. The 4931
treasurer of state shall collect the principal, interest, 4932
dividends, and distributions that become due and payable and, when 4933
collected, shall credit them to the custodial funds. 4934

The treasurer of state shall pay for the investments 4935
purchased by the board on receipt of written or electronic 4936
instructions from the board or the board's designated agent 4937
authorizing the purchase and pending receipt of the evidence of 4938
title of the investment by the treasurer of state or the treasurer 4939
of state's authorized agent. The board may sell investments held 4940
by the board, and the treasurer of state or the treasurer of 4941
state's authorized agent shall accept payment from the purchaser 4942
and deliver evidence of title of the investment to the purchaser 4943
on receipt of written or electronic instructions from the board or 4944
the board's designated agent authorizing the sale, and pending 4945
receipt of the moneys for the investments. The amount received 4946
shall be placed in the custodial funds. The board and the 4947
treasurer of state may enter into agreements to establish 4948
procedures for the purchase and sale of investments under this 4949
division and the custody of the investments. 4950

(D) All of the board's business shall be transacted, all its 4951
funds shall be invested, all warrants for money drawn and payments 4952
shall be made, and all of its cash, securities, and other property 4953

shall be held, in the name of the board or its nominee, provided 4954
that nominees are authorized by board resolution for the purpose 4955
of facilitating the ownership and transfer of investments. 4956

(E) No purchase or sale of any investment shall be made under 4957
this section except as authorized by the board. 4958

(F) Any statement of financial position distributed by the 4959
board shall include the fair value, as of the statement date, of 4960
all investments held by the board under this section. 4961

Sec. 5505.062. (A) As used in this section and sections 4962
5505.063 to 5505.067 of the Revised Code: 4963

(1) "Agent" means a licensed dealer, as defined in section 4964
1707.01 of the Revised Code. 4965

(2) "Approved agent" means an agent designated as such by the 4966
state highway patrol retirement board. 4967

(3) "Minority business enterprise" has the same meaning as in 4968
section 122.71 of the Revised Code. 4969

(4) "Principals" means persons primarily responsible for 4970
directing the operations of the agent. 4971

(B) The state highway patrol retirement board shall designate 4972
approved agents for the purposes of this section and annually 4973
compile and make available on request a list of approved agents. 4974

(C) The board shall designate an agent as an approved agent 4975
if the agent meets all of the following requirements: 4976

(1) Submits to the board all information required by the 4977
board concerning the agent's history, personnel with substantial 4978
responsibilities regarding equity investments, support personnel, 4979
clients, fees, and any related matter of interest to the board; 4980

(2) Has practiced, or each of its principals has practiced, 4981
as an agent in this state for at least three years prior to 4982

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| <u>designation;</u> | 4983 |
| <u>(3) Is subject to taxation by this state;</u> | 4984 |
| <u>(4) Employs at least five residents of this state;</u> | 4985 |
| <u>(5) Has demonstrated professional and administrative ability;</u> | 4986 |
| <u>(6) Has no outstanding legal judgments or past judgments that</u> | 4987 |
| <u>reflect negatively on the agent or on the state highway patrol</u> | 4988 |
| <u>retirement system.</u> | 4989 |
| <u>(D) In any year, not less than seventy per cent of the equity</u> | 4990 |
| <u>and fixed-income trades executed on behalf of the board shall be</u> | 4991 |
| <u>executed by approved agents. The board shall have as a goal that</u> | 4992 |
| <u>not less than an additional ten per cent of the equity and</u> | 4993 |
| <u>fixed-income trades executed on behalf of the board be executed by</u> | 4994 |
| <u>approved agents that are minority business enterprises.</u> | 4995 |
| <u>The percentage of equity trades executed on behalf of the</u> | 4996 |
| <u>board shall be measured by the dollar value of commissions paid.</u> | 4997 |
| <u>The percentage of fixed-income trades executed on behalf of the</u> | 4998 |
| <u>board shall be measured by the face value of the fixed-income</u> | 4999 |
| <u>securities traded.</u> | 5000 |
| <u>Sec. 5505.063.</u> (A) <u>The state highway patrol retirement system</u> | 5001 |
| <u>shall disclose the following to the division of securities in the</u> | 5002 |
| <u>department of commerce and to the Ohio ethics commission:</u> | 5003 |
| <u>(1) Any amount of money received by the system from an agent</u> | 5004 |
| <u>and any amount of money spent by an agent for an expense of the</u> | 5005 |
| <u>system;</u> | 5006 |
| <u>(2) The name of any employee of the system with authority</u> | 5007 |
| <u>over the investment of retirement system funds or any board member</u> | 5008 |
| <u>of the system who deals with an agent regarding amounts described</u> | 5009 |
| <u>in division (A)(1) of this section.</u> | 5010 |
| <u>(B) The disclosures required by this section shall be made</u> | 5011 |

annually in a report submitted by a date jointly prescribed by the 5012
division of securities and the Ohio ethics commission. 5013

Sec. 5505.064. (A) The state highway patrol retirement board 5014
may contract with an investment manager to develop the retirement 5015
system's investment strategies and to manage assets of the 5016
retirement system on the board's behalf if the investment manager 5017
meets all of the following requirements: 5018

(1) Is one of the following: 5019

(a) A bank as defined in section 1101.01 of the Revised Code; 5020

(b) An insurance company as defined in 15 U.S.C. 80a-2; 5021

(c) An investment company as defined in section 1111.01 of 5022
the Revised Code; 5023

(d) An investment adviser as defined in 15 U.S.C. 80b-2. 5024

(2) Provides to the board the investment manager's investment 5025
strategies and objectives and evidence satisfactory to the board 5026
that the investment manager has successfully employed the 5027
investment strategies and objectives; 5028

(3) Demonstrates to the board's satisfaction that the 5029
investment manager has done both of the following for a period of 5030
time the board specifies: 5031

(a) Achieved performance measures calculated on a 5032
time-weighted basis and based on a composite of fully 5033
discretionary accounts of similar investment style; 5034

(b) Had net and gross fees that are at least comparable to 5035
other investment managers with similar investment strategies and 5036
objectives. 5037

(4) Provides to the board a performance evaluation report of 5038
the investment manager that is prepared by an objective third 5039
party not affiliated with the investment manager and illustrates 5040

the investment manager's risk and return profile relative to other 5041
investment managers with similar investment strategies and 5042
objectives; 5043

(5) Provides to the board all information required by the 5044
board concerning the investment manager's history, personnel with 5045
substantial responsibilities regarding investment strategies and 5046
objectives, support personnel, clients, fees, and any related 5047
matter the board specifies; 5048

(6) Does not have any judgments against the investment 5049
manager that may, in the board's opinion, reflect negatively on 5050
the investment manager or retirement system. 5051

(B) If the board seeks to contract with an investment manager 5052
to develop the retirement system's investment strategies and to 5053
manage assets of the retirement system on the board's behalf, the 5054
board shall do all of the following: 5055

(1) Provide for investment managers that meet both of the 5056
following requirements to manage not less than fifty per cent of 5057
the assets of the retirement system that are not managed by 5058
employees of the board: 5059

(a) Have at least one contract that the board determines is 5060
significant with another state- or federal-level government 5061
entity; 5062

(b) Meet any of the following requirements: 5063

(i) Have its corporate headquarters in this state; 5064

(ii) Have at least three operating locations in this state 5065
and employ at least fifteen individuals at each location; 5066

(iii) Employ at least five hundred individuals in this state. 5067

(2) Have as a goal that investment managers that are a 5068
minority business enterprise manage not less than an additional 5069
ten per cent of the assets of the retirement system; 5070

(3) Have as a goal that one or more emerging investment managers manage not less than an additional three per cent of the assets of the retirement system in accordance with a policy the board may adopt. If the board adopts a policy, it shall do both of the following: 5071
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(a) Establish criteria that an investment manager must meet to be designated by the board as an emerging investment manager. The criteria shall require that an investment manager meet at least both of the following requirements to be designated as an emerging investment manager: 5076
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5080

(i) At the time of application for designation as an emerging investment manager, manage not more than five hundred million dollars worth of investments; 5081
5082
5083

(ii) Have at least one contract that the board determines is significant with another state- or local-level government entity. 5084
5085

(b) Provide for an emerging investment manager that meets all of the following requirements to receive preference over other emerging investment managers in obtaining a contract with the board to manage assets of the retirement system: 5086
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5089

(i) Has its corporate headquarters in this state; 5090

(ii) Employs at least five individuals in this state; 5091

(iii) Has other investment operations within this state that utilize agents and the board determines are significant. 5092
5093

Sec. 5505.065. If the state highway patrol retirement board contracts with an investment manager to develop the retirement system's investment strategies and to manage assets of the retirement system on the board's behalf, the investment manager shall do all of the following: 5094
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(A) Comply with the board's investment policies and 5099

objectives for the operation of the board's investment program 5100
adopted under section 5505.06 of the Revised Code and all laws 5101
governing the board's investments when developing the retirement 5102
system's investment strategies and managing the assets of the 5103
retirement system on the board's behalf; 5104

(B) Promptly inform the board in writing of any material 5105
change to the investment manager's organization or professional 5106
staff; 5107

(C) At the board's direction, vote by proxy for the board in 5108
a manner consistent with the long-term interests of the retirement 5109
system and the board's investment policies and objectives; 5110

(D) Keep detailed records of any votes by proxy made under 5111
division (C) of this section; 5112

(E) On at least a quarterly basis, report to the board on the 5113
status of the board's investments that the investment manager 5114
manages, including the gains and losses of the investments for the 5115
reporting period; 5116

(F) Meet with officers and employees of the retirement system 5117
at least twice a year to report on the economic outlook of the 5118
board's investments that the investment manager manages and the 5119
investment manager's compliance with the board's investment 5120
policies and objectives. 5121

Sec. 5505.066. If the state highway patrol retirement board 5122
contracts with an investment manager to develop the retirement 5123
system's investment strategies and to manage the assets of the 5124
retirement system on the board's behalf, the board, to the extent 5125
necessary to comply with division (D) of section 5505.062 of the 5126
Revised Code, shall supervise and control the equity and 5127
fixed-income trades that the investment manager causes to be 5128
executed on the board's behalf. 5129

Sec. 5505.067. (A) Each quarter, the board of the state highway patrol retirement system shall submit a report containing all of the following information to the Ohio retirement study council: 5130
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5132
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(1) The name of each agent designated as an approved agent under division (C) of section 5505.062 of the Revised Code; 5134
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(2) The per cent of the equity and fixed-income trades that approved agents execute on behalf of the board pursuant to division (D) of section 5505.062 of the Revised Code; 5136
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(3) The per cent of the equity and fixed-income trades that approved agents that are minority business enterprises execute on behalf of the board pursuant to division (D) of section 5505.062 of the Revised Code; 5139
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(4) The name of each investment manager with which the board contracts under section 5505.064 of the Revised Code; 5143
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(5) The per cent of the assets of the state highway patrol retirement system that investment managers manage pursuant to division (B)(1) of section 5505.064 of the Revised Code and the status of those assets; 5145
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(6) The per cent of the assets of the system that investment managers that are minority business enterprises manage pursuant to division (B)(2) of section 5505.064 of the Revised Code and the status of those assets; 5149
5150
5151
5152

(7) The per cent of the assets of the system that emerging investment managers manage pursuant to division (B)(3) of section 5505.064 of the Revised Code and the status of those assets; 5153
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5155

(8) A summary of investment managers' compliance with section 5505.065 of the Revised Code. 5156
5157

(B) The state highway patrol retirement board shall prepare 5158

the report required by division (A) of this section in accordance 5159
with the uniform format the Ohio retirement study council 5160
establishes under section 171.04 of the Revised Code. 5161

Sec. 5505.07. (A) The treasurer of state shall appoint, with 5162
the advice and consent of the state highway patrol retirement 5163
board, an executive director whose service shall commence 5164
immediately following appointment. The executive director shall 5165
serve at the pleasure of the treasurer of state. The board shall 5166
advise and consent regarding the appointment not later than sixty 5167
days following the appointment. ~~The state highway patrol~~ 5168
~~retirement~~ board may employ a secretary and secure the services of 5169
employees for the transaction of business of the state highway 5170
patrol retirement system. The compensation of all persons engaged 5171
by the board and all other expenses of the board necessary for the 5172
proper operation of the pension fund shall be paid at such rates 5173
and in such amounts as the board approves. Every expense voucher 5174
of an employee, officer, or board member of the state highway 5175
patrol retirement system shall itemize all purchases and 5176
expenditures. 5177

(B) The clerical procedures required in the operation of the 5178
retirement system shall be performed by the staff of the secretary 5179
appointed by the board. The cost of such clerical procedures and 5180
the services performed by the secretary of the retirement system 5181
shall be paid by the retirement system. 5182

(C) The board shall appoint an actuary who shall be its 5183
technical advisor. 5184

(D) The board shall from time to time adopt such mortality 5185
and other tables of experience, and such rate or rates of 5186
interest, as are required in the proper operation of the 5187
retirement system. 5188

(E) The board shall determine by appropriate rules the 5189
service to be credited any member in any calendar year. 5190

The board shall perform other functions and adopt rules as 5191
required for the proper execution of Chapter 5505. of the Revised 5192
Code.

Sec. 5505.111. The state highway patrol retirement board 5194
shall appoint a committee to oversee the selection of an internal 5195
auditor. The committee shall select one or more persons for 5196
employment as an internal auditor. The board shall employ the 5197
person or persons selected by the committee. 5198

The committee shall consist of the following board members: 5199
one retirant member, one employee member, and one ex officio 5200
member. The committee shall annually prepare and submit to the 5201
Ohio retirement study council a report of its actions during the 5202
preceding year. 5203

Sec. 5505.99. Whoever violates section 5505.042 of the 5204
Revised Code shall be fined not more than one hundred dollars for 5205
each day of the violation. 5206

Fines imposed by the Ohio elections commission under this 5207
section shall be paid into the Ohio elections commission fund 5208
created under section 3513.10 of the Revised Code. 5209

Section 2. That existing sections 102.02, 113.051, 145.04, 5210
145.05, 145.06, 145.08, 145.09, 145.11, 145.193, 145.40, 171.04, 5211
742.03, 742.08, 742.10, 742.11, 3105.80, 3305.01, 3305.02, 5212
3305.03, 3305.05, 3305.051, 3305.06, 3305.07, 3307.01, 3307.05, 5213
3307.06, 3307.07, 3307.071, 3307.10, 3307.11, 3307.15, 3307.56, 5214
3309.05, 3309.06, 3309.07, 3309.10, 3309.11, 3309.15, 3309.42, 5215
3334.11, 4123.44, 5505.04, 5505.05, 5505.06, and 5505.07 of the 5216
Revised Code are hereby repealed. 5217

Section 3. Not later than ninety days after the effective 5218
date of this section, the Governor shall appoint the additional 5219
members provided in sections 145.04 and 742.03 of the Revised Code 5220
to the Public Employees Retirement Board and the Board of Trustees 5221
of the Ohio Police and Fire Pension Fund. If the Governor chooses 5222
to appoint a member of the State Teachers Retirement Board under 5223
section 3307.05 of the Revised Code, the appointment shall be made 5224
not later than ninety days after the effective date of this 5225
section. 5226

In the case of the Public Employees Retirement Board, the 5227
Auditor of State and the Director of Administrative Services shall 5228
remain members of the board until the new member has been 5229
appointed by the Governor and the additional retirant member has 5230
been elected. 5231

In the case of the Ohio Police and Fire Pension Fund Board of 5232
Trustees, the Auditor of State shall remain a member of the board 5233
until the new member has been appointed by the Governor. 5234

In the case of the State Teachers Retirement Board, the 5235
Auditor of State shall remain a member of the board until the 5236
additional retirant member has been elected. If the Governor 5237
chooses to appoint a new member to the board in place of the 5238
Superintendent of Public Instruction, the Superintendent of Public 5239
Instruction shall remain a member of the board until the new 5240
member has been appointed. Otherwise, the Superintendent of Public 5241
Instruction shall remain a member of the board. 5242

In the case of the School Employees Retirement Board, the 5243
Auditor of State and the Attorney General shall remain members of 5244
the board until the school board member and the additional 5245
retirant member have been elected. 5246

In the case of the State Highway Patrol Retirement Board, the 5247

Superintendent of the State Highway Patrol shall remain a member 5248
of the board until the additional retirant member has been 5249
elected. 5250

Section 4. Sections 145.193, 145.40, 3105.80, 3305.01, 5251
3305.02, 3305.03, 3305.05, 3305.051, 3305.052, 3305.053, 3305.06, 5252
3305.07, 3307.01, 3307.56, and 3309.42 of the Revised Code, as 5253
amended or enacted by this act, shall take effect ninety days 5254
after the effective date of this section. 5255

Section 5. The initial executive directors appointed by the 5256
Treasurer of State under sections 145.09, 742.10, 3307.11, 5257
3309.11, and 5505.07 of the Revised Code as amended by this act 5258
shall commence service immediately on appointment. Each board 5259
shall advise and consent regarding the appointment not later than 5260
sixty days after it is made. 5261

Section 6. Section 5505.04 of the Revised Code is presented 5262
in this act as a composite of the section as amended by both Sub. 5263
H.B. 535 and Am. Sub. S.B. 180 of the 123rd General Assembly. The 5264
General Assembly, applying the principle stated in division (B) of 5265
section 1.52 of the Revised Code that amendments are to be 5266
harmonized if reasonably capable of simultaneous operation, finds 5267
that the composite is the resulting version of the section in 5268
effect prior to the effective date of the section as presented in 5269
this act. 5270